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## Letter dated 2 April 2012 from the Chargé d'affaires a.i. of the Permanent Mission of Mauritius to the United Nations addressed to the President of the Economic and Social Council

Attached herewith is the national report of the Republic of Mauritius on progress towards the achievement of the internationally agreed goals, including the Millennium Development Goals, for the annual ministerial review to be held during the high-level segment of the 2012 substantive session of the Economic and Social Council (see annex).

Kindly note that Seychelles, South Africa and Botswana have been identified as the reviewers of Mauritius for the national voluntary presentation.

I should be grateful if you would circulate the present letter and its annex as a document of the Council, under item 2 (c) of the provisional agenda.

(*Signed*) Tarunjai **Reetoo**
Chargé d'affaires a.i.

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**Annex to the letter dated 2 April 2012 from the Chargé d'affaires a.i. of the Permanent Mission of Mauritius to the United Nations addressed to the President of the Economic and Social Council**

# National voluntary presentation of Mauritius

## Contents


| | Page |
|---|---|
| Acronyms | 4 |
| Summary | 6 |
| Part A<br>Implementation of national development strategies and policies | 8 |
| Brief history of Mauritius | 8 |
| Major policy interventions instrumental in helping advance progress on the development goals | 9 |
| Economic development | 10 |
| Challenges | 10 |
| Policy intervention | 10 |
| Strategies | 11 |
| Social development | 13 |
| Challenges | 13 |
| Policy intervention | 13 |
| Strategies | 14 |
| Mauritius on the global landscape | 14 |
| Role played by various stakeholders in developing these policies and lessons learned | 14 |
| Sector challenges and strategies to overcome them | 15 |
| Policy intervention | 15 |
| Strategies | 15 |
| Assistance of international development cooperation in addressing these challenges | 17 |
| Promotion of policy coherence among various sectors that directly or indirectly impact on development | 18 |
| Part B<br>Promoting productive capacity, employment and decent work to eradicate poverty in the context of inclusive, sustainable and equitable economic growth at all levels for achieving the Millennium Development Goals | 18 |
| Challenges | 18 |
| Employment, unemployment and labour force | 19 |
| Labour productivity | 20 |

Policy intervention: continuous improvement of competitiveness within the global economy through enhancement of a creative, skilled and competent human resource base ..... 22

Strategies ..... 23

National Human Resource Development Plan ..... 23

National Training Fund ..... 24

Sponsored Pre-job Training ..... 24

The Workfare Programme ..... 24

Review of the Industrial Relations Act and the Labour Act ..... 25

Green jobs ..... 26

National Empowerment Foundation ..... 26

National Employment Policy ..... 27

Literacy rate ..... 29

Educational attainment ..... 30

Challenges in the system ..... 30

Dropouts ..... 30

Ensuring successful completion of schooling ..... 30

Rote memorization ..... 31

Private tuition ..... 31

The Education and Human Resource Strategy Plan (2008-2020) ..... 31

Pro-poor policies: policies and support measures pertaining to equity and quality issues 31

1. Concerns for children with special education needs ..... 32

2. Provision of quality pre-primary education ..... 32

3. The Zones d'Education Prioritaires ..... 33

4. Other measures that ensure a level playing field ..... 33

Other Education for All goals ..... 34

Challenges ..... 35

Conclusion ..... 35

## Acronyms

| | |
|---|---|
| AMR | Annual ministerial review |
| BPO | Business process outsourcing |
| CBO | Community-based organization |
| CPE | Certificate of Primary Education |
| CSO | Central Statistics Office |
| EAP | Eradication of Absolute Poverty |
| EFA | Education for All |
| EHRSP | Education and Human Resource Strategy Plan |
| EP | Empowerment Program |
| EPI | Environmental performance indicator |
| EPZ | Export Processing Zone |
| GDP | Gross domestic product |
| GTER | Gross tertiary education ratio |
| HDI | Human Development Index |
| HRDC | Human Resource Development Council |
| HRKAD | Human Resource, Knowledge and Arts Development |
| HSC | Higher School Certificate |
| IDI | ICT Development Index |
| ITES | Information technology enabled services |
| ITU | International Telecommunication Union |
| KPO | Knowledge process outsourcing |
| MDG | Millennium Development Goal |
| MICE | Meetings, incentives, conventions and exhibitions |
| MID | Maurice Ile Durable |
| NEP | National Employment Policy |
| NEF | National Empowerment Foundation |
| NGO | Non-governmental organization |
| OECD | Organization for Economic Cooperation and Development |
| PASEC | Programme d'Analyse des Systems Educatifs de la CONFEMEN |
| PISA | Programme for International Students Assessment |
| PPP | Purchasing power parity |
| PTP | Placement for Training Program |

| | |
|---|---|
| SACMEQ | Southern and Eastern Africa Consortium for Monitoring Educational Quality |
| SC | Cambridge School Certificate |
| SEN | Special education needs |
| SME | Small and medium enterprise |
| SPUW | Special Program for Unemployed Women |
| TVET | Technical and vocational education and training |
| ZEP | Zones d'Education Prioritaires |

## Summary

1. Economic growth should never be an end in itself, but a means to achieve human development. Mauritius development policies are anchored in the country's vision of a high-productivity, high-efficiency, high-technology and high-wage economy that can join the league of high-income countries while consolidating a prosperous future for all, and an inclusive society where there are opportunities for all and where there is equality of treatment before the law.

2. Owing to external shocks, the global financial crisis and the erosion of trade preferences, our economy is at a crossroad whereby we are facing lots of difficulties on several fronts, including economic, social, political and moral. The challenge remains to equate social justice with economic efficiency by boosting the economic growth of the island, thereby reducing the toll of unemployment. The wish of the Government is to empower all Mauritians so that they can participate actively in the development of the island. Moreover, with a view to securing the country's survival, especially in a highly competitive, open and globalized economy, the Government has embarked on a 10-year economic reform programme structured around four main pillars, namely fiscal consolidation and public sector efficiency, improving trade competitiveness, improving the investment climate, and democratizing the economy through participation, social inclusion and sustainability.

3. In this regard, strategies have been crafted and the main economic sectors have been consolidated while development of new sectors is pursued relentlessly. In the same vein, Mauritius has one of the most generous welfare systems in Africa. It provides free health care, free transport to students and free education, among others. In the field of education, Mauritius is well on its way to attain its target with regard to the Millennium Development Goals. Many countries in Africa look to Mauritius — the region's strongest performer on Doing Business indicators — as a source of good practices for reform. In addition, Mauritius is ranked in the seventy-second position of the Human Development Index, while it is ranked in the forty-fifth position of the Human Poverty Index.

4. As is the case in most countries, patterns of employment in Mauritius have also been changing. This is mainly due to the significant structural shift in the Mauritian economy over the past decades, with an economy previously dominated by agriculture and manufacturing being overtaken by a burgeoning service-based one. Definitely, the shift to a service economy and the resultant growth of opportunities in this world is not unproblematic.

5. Consequently, in the absence of natural resources and amid fierce global competition, Mauritius faces the challenge of sustaining its socioeconomic growth in an eco-friendly environment. To this end, Mauritius is challenged to continuously improve its competitiveness within the global economy by enhancing its creative, skilled and competent human resource base, among other measures. Mauritius also has to reduce inequality and exclusion through effective socioeconomic integration while maintaining and strengthening the welfare state. There is an urgent need to pursue sustainable development through the use of renewable energy while reducing dependency on fossil fuels and providing water to all throughout the year.

6. The country is also sensitive to the plight of the poor and is committed to eradicate absolute poverty. Explicit policy interventions focus on empowering the poor as a sustainable means of breaking the cycle of poverty.

7. While external assistance is beneficial to face the future with confidence, such support must be aligned with national challenges and ownership, and donors must adopt a joint programming modality, coordinated interventions and aid harmonization following priority areas identified by the country. Policy coherence needs to be promoted at different levels, namely, within development cooperation, between aid and non-aid policies of donor countries/agencies, and between donors and recipients. Too much is at stake for anything else.

8. Education has always held a place of choice in the country's national development strategy. Education policies focus on the major pillars of increasing access, improving quality and broadening equity. The changes witnessed since independence in 1968 backed by heavy investment in education have resulted in high enrolment rates from the pre-primary to the secondary levels, with the national literacy rate standing at some 85 per cent in 2011.

9. Understandably, there are challenges posed as far as achieving the goal of quality education for all. A cohort analysis demonstrates that out of the 100 children entering Grade I, only 27 successfully complete the 13-year school cycle, thereby indicating there is dropout and subsequent wastage in the system. In addition to this internal inefficiency, the system, especially at the primary level, is plagued by rote learning, teaching to the test and private tuition.

10. The Education and Human Resource Strategy Plan (EHRSP) 2008-2020, the result of a consensual debate on the system, has highlighted eight broad objectives ranging from pre-primary through to sector management. Implementation of EHRSP has resulted in such groundbreaking actions as the introduction of innovative pedagogical practices, the review of the curricula of all education subsectors for increased relevance, the widening of access to upper secondary education and the holistic development of learners. A digital revolution has also been triggered in a bid to transform traditional forms of classroom transactions and teaching-learning processes.

11. If pairs of hands were sufficient to make Mauritius a politically and economically stable country in the 1970s and 1980s, current economic growth can only be sustained by pairs of thinking hands. Two major challenges of the world are ensuring that the fruits of development reach the most needy through the equitable distribution of resources and opportunities, and the development of human capabilities to address the challenges of development. Thus, through the reduction of unemployment and working poverty, human resource development remains one of the main ingredients to decrease income and wealth inequalities.

12. Prosperity and fairness in the new global economy can be achieved only if world class skills are achieved. Without world class skills, businesses will find it increasingly difficult to compete and innovate. Thus, the success of the developments in the various sectors in Mauritius relies mainly on the availability of sufficient skilled labour. Inadequate labour supply could lead to an appreciable slowdown in growth.

13. In the publication *The Global Competitiveness Report 2011-2012* of the World Economic Forum, Mauritius is ranked fifty-fourth in terms of global competitiveness. Mauritius is improving its competitiveness and productivity while ensuring that work is decent and productive and delivers a fair income. A fair distribution of wealth, social welfare, equity, peace and human rights remain the key ingredients for sustainable development. These include the National Human Resource Development

Plan, National Training Fund, Sponsored Pre-job Training, National Empowerment Foundation, National Employment Policy, the Workfare Programme and a review of the Labour Act.

14. As the shortage of skilled people can act as a limiting factor on individual organizations and on the economy as a whole, investment in human resource development has moved to centre stage in strategies to promote economic prosperity, fuller employment and social cohesion. Without skilled labour, Mauritius will not be able to reach higher planes of development.

# Part A
# Implementation of national development strategies and policies

15. Economic growth should never be an end in itself, but a means to achieve human development. This aim will only be achieved if there is creation of jobs, reduction in poverty, respect for the environment and necessary resources for essential social services. As Aristotle argued, "wealth is evidently not the good we are seeking; for it is merely useful and for the sake of something else". That "something else" is the opportunity for people to realize their potential as human beings. Real opportunity is about having real choices — the choices that come with a sufficient income, an education, good health and living in a country that is not governed by tyranny.[1] Human development is about the realization of human potential. It is about what people can do and become — their capabilities — and about the freedom they have to exercise real choices in their lives. This framework is based on what the economist and Nobel laureate Amartya Sen calls the capabilities and functionings approach. Not only is it important to achieve more "functionings", but it is essential for people to have the "capabilities" or the freedom to achieve these.[2] Every citizen should be given the opportunity to expand their choices to live full creative lives in good health and security, with freedom and dignity. This requires creation of an environment in which people can develop their full potential while providing them with the tools to enhance their own human capabilities — to accumulate knowledge, to gain access to resources and to participate in the community. Without these capabilities, many choices are simply not available and many opportunities in life remain inaccessible.

## Brief history of Mauritius

16. Mauritius is an island nation located in the south-west of the Indian Ocean. It is part of the Mascarene Islands, with the French island of Réunion to the south-west and the island of Rodrigues to the north-east. In addition to the island of Mauritius, the Republic of Mauritius includes the islands of St. Brandon, Rodrigues and the Agalega Islands. Mauritius attained independence on 12 March 1968 and became a Republic within the Commonwealth in 1992. The Mauritian society is the result of successive waves of immigration: the French and British colonizers, the

[1] UNDP, *Human Development Report 2006: Beyond Scarcity — Power, Poverty and the Global Water Crisis* (New York, 2006), p. 263.

[2] UNDP, *Measuring Human Development: A Primer* (New York, 2007), p. 1.

slaves from Africa and Asia, and the Chinese and Indians who came to work as indentured labourers in the sugarcane fields. The official language is English, though French, Mauritian Creole and Bhojpuri are widely used.

17. The population of the Republic of Mauritius was estimated at 1,288,684 as at 31 December 2011, growing at a rate of 0.4 per cent since end 2010. As at end 2011, the female population was higher than the male population by 18,974. The Republic of Mauritius, with a total land area of 2,040 $km^2$, had a population density of 632 persons per $km^2$ as at end 2011. The figures indicate that the population growth rate for the Republic of Mauritius during the period 2005 to 2010 was 0.7 per cent, lower than the estimated world population growth rate of 1.2 per cent. The Republic's growth rate was lower than that for Singapore (3.5 per cent) and India (1.4 per cent), but was higher than that for the United Kingdom (0.6 per cent), Japan (0 per cent) and Belgium (0.6 per cent).[3]

18. In 2011, Mauritius was ranked first out of 53 countries in Africa on the Mo Ibrahim Index of African Governance. It was also ranked first in Africa on the Fraser Institute's Economic Freedom Index. Moreover, Mauritius was ranked first in Africa and twenty-third in the world by the World Bank's Doing Business 2012 index. In general, Mauritius has achieved or nearly achieved a number of the fundamental Millennium Development Goals. The net enrolment rate in primary education is 96 per cent (2010), with 98 per cent of female and male pupils respectively reaching Grade 6, the last year of primary schooling, with 82 per cent of pupils progressing to secondary schools, while the gross tertiary education ratio currently stands at 47 per cent. Clearly, democracy, investment in human capital and good governance have played a pivotal role in increasing the per capita income from $260 at the time of independence to more than $9,000 today. In 1981, gross domestic product (GDP) per capita measured in 2005 constant international dollars (PPP) was 38 per cent below the world average.[4] By 2009, it had risen to 16 per cent above the average. Over that period, GDP per capita in Mauritius more than tripled in real terms, with growth rates that consistently outperformed world and middle income countries' average growth. This represents a cumulative growth rate comparable to the ones observed in Singapore, Hong Kong, China or Taiwan.

## Major policy interventions instrumental in helping advance progress on the development goals

19. Mauritius development policies are anchored in the country's vision of a high-productivity, high-efficiency, high-technology and high-wage economy that can join the league of high-income countries while consolidating a prosperous future for all, and an inclusive society where there are opportunities for all and where there is

[3] Population growth rates for various countries in the world are published in the United Nations publication *World Population Prospects: The 2010 Revision*.

[4] A purchasing power parity between two countries, A and B, is the ratio of the number of units of country A's currency needed to purchase in country A the same quantity of a specific good or service as one unit of country B's currency will purchase in country B. Purchasing power parities can be expressed in the currency of either of the countries. In practice, they are usually computed among large numbers of countries and expressed in terms of a single currency, with the United States dollar most commonly used as the base or "numeraire" currency.

equality of treatment before the law. Achievement of this vision is centred on the mission of putting people first to ensure inclusive development.

## Economic development

20. After the removal of trade preferences in the sugar sector, Mauritius had no choice but to embark upon a new phase of development in order to secure its survival in a highly competitive, open and globalized economy. There has been a progressive reduction, starting in 2006, in guaranteed prices for sugar by a cumulative 36 per cent by 2009. From 1999 to 2011, while comparing the structure of the economy, a gradual shift from agriculture to the service sector is observed (see table 1 in the annex). The share of the agriculture, hunting, forestry and fishing sector in GDP, which was 6.1 per cent in 1999, went down to 3.7 per cent in 2011. The manufacturing sector also experienced a fall, from 23.1 per cent in 1999 to 18.1 per cent in 2011. On the other hand, hotels and restaurants, a major component of the tourism sector, witnessed a rise from 6.4 per cent to 7.0 per cent during the same period. The share of real estate, renting and business activities, which was 8.6 per cent in 1999, increased to 12.9 per cent in 2011. Financial intermediation, which comprises mainly insurance and banking, including offshore banks, experienced a major rise from 7.7 per cent in 1999 to 10.0 per cent in 2011. Based on the latest information gathered on various sectors of economy, GDP grew by 4.1 per cent in 2011. Exclusive of sugar, GDP works out to 4.2 per cent compared with 4.4 per cent in 2010.

### Challenges

21. Owing to external shocks, the global financial crisis and the erosion of trade preferences, our economy is at a crossroad whereby we are facing lots of difficulties on several fronts, including economic, social, political and moral. The challenge remains to equate social justice with economic efficiency by boosting the economic growth of the island, thereby reducing the toll of unemployment. The wish of the Government is to empower all Mauritians so that they can participate actively in the development of the island. To be able to achieve this, the Government is fully aware that we can no longer rely on the traditional pillars of the economy. The challenge remains to foster innovation on the widest possible range of platforms in order to come out of this dark period characterized by the worst food price inflation and biggest surge in oil prices in decades, the worst financial turmoil in a hundred years, and now the relapse of global economic recovery. Mauritius has to diversify its markets fast, especially after the worst economic crisis in Europe, which remains the most important market for Mauritian exports.

### Policy intervention

22. To secure the country's survival in a highly competitive, open and globalized economy, the Government has embarked since 2005 on a 10-year economic reform programme structured around four main pillars, namely:

(a) Fiscal consolidation and public sector efficiency: it is expected that the public sector debt to GDP ratio will be reduced to 54.1 per cent in 2012; the target of 50 per cent debt to GDP ratio objective seems to be achievable by 2018;

(b) Improving trade competitiveness: the time for registering property has been reduced from 15 days to 2 days; there has been formal coordination between promotion agencies in the public and private sectors; they will collectively seek new markets for local sugar, fruits and vegetables, textiles, seafood, financial services, tourism, information and communications technology/business process outsourcing, education, health care and other exports;

(c) Improving the investment climate: a Joint Public-Private Sector Business Facilitation Task Force has been set up in order to report on policies and actions related to removing remaining bottlenecks to investment and exports; to simplify regulations; and to save time for applicants and investors;

(d) Democratizing the economy through participation, social inclusion and sustainability: in 2011, net international reserves had been increased to about 40 weeks of import cover; since 2006, 9,400 jobs have been created annually.

**Strategies**

- Organize the annual Mauritius Fair with the participation of foreign buyers and local enterprises.
- Widen the network of double taxation avoidance agreements and investment promotion and protection agreements with African States.

**Agriculture and fisheries**

- The agriculture sector is being revitalized to emerge as an economic pillar. There is greater orientation towards more modern production of high value added primary and agro-based products. Small planters and all small breeders can claim a full VAT refund on agricultural machinery, equipment and tools that they purchase in 2012. About 23,000 sugar cane planters, some 6,000 horticultural producers and some 5,000 animal breeders, including cattle and pig breeders, will benefit from this. The Government supports the regrouping of planters, the clearing of rocks from their land and irrigation.
- The transformation of the sugar sector into a cane sector has allowed Mauritius to make a major step into the new era of agri-technology and biofuel. The use of bagasse for electricity generation and molasses for production of ethanol and value added spirits is being promoted. The institutions financed by the CESS Fund have been merged in order to save planters about $10 million a year.
- In 2012, the Government is investing about $3.3 million to replenish the lagoons by releasing at least 300,000 fish fingerlings and thousands of sea cucumbers in various areas around the island, and to create coral farms and reef sanctuaries.

**Manufacturing**

- In the manufacturing sector, the focus is on the utilization of high technology and production of higher value added products. For instance, increasing emphasis is being laid on the production of high-quality garments. EPZ and non-EPZ subsectors have been integrated to provide a level playing field for SMEs.

**Services**

- The services subsectors are being developed so that they play a pivotal role in the economic growth of our country. Mauritius has no choice but to offer to the world value added products and services.

**Tourism**

- Tourism efforts focus on enhancing the attractiveness of our island as a destination for natural tourism and ecotourism; for culture, entertainment and arts; for meetings, incentives, conventions and exhibitions (MICE); for international sporting events; and for health tourism; as well as for shopping and recreational activities. The Government has adopted a three-pronged strategy focused on attractiveness, visibility and accessibility, with the aim of building a worldwide reputation for the quality of its tourism based on living up to its brand and delivering consistently on its brand promise — high standards, a pristine environment and friendliness of its service. The Government is also coming up with a voluntary green certification in order to attract tourists. Approximately $8.3 million is being invested by the Government in comprehensive cleaning and embellishment programmes. In order to promote medical tourism, cosmetic surgery is VAT-exempted.

**Financial services**

- The financial services sector is being strengthened in order to position our island as the financial hub for the region. With the aim of widening the spectrum of financial vehicles in our jurisdiction, a legal framework is being set up to promote foundations; private occupational pensions; and new concepts of trusts. The network of double taxation avoidance agreements and investment promotion and protection agreements, especially with African States, is being widened. With regards to the insurance sector, the Government has abrogated legislation that would have allowed local assets to be insured with an insurance company based in a foreign country in 2013.

**Information and communications technology**

- The weight of the information and communications technology sector in GDP is rising fast. Its growth is one of the highest and it offers tremendous employment opportunities for our youth that must be fully tapped. In fact, the information technology enabled services (ITES), business process outsourcing (BPO) and knowledge process outsourcing (KPO) sectors are being developed into a vibrant information and communications technology hub, leveraging its prime location, very good network and the bilingualism/multilingualism of the local population. A second undersea fibre-optic cable, "LION 2", will be operational by mid-2012, thus ensuring continuity of service at all times. The Government is opening connectivity to give long-distance telecom operators the right of access to connect to international gateways via the two landing stations.

**Small and medium enterprises**

- SMEs produce 37 per cent of our GDP, that is, some $40 billion worth of output. They give employment and provide a living to 250,000 men and women. And it is there that the culture of entrepreneurship takes root, grows and democratizes the economy. Undoubtedly, the SME sector has been brought to the forefront of economic development by flattening the playing field and through direct support at every level of operations, such as technical assistance, capacity-building and improving their access to global markets. In 2012, local banks are releasing $0.1 billion at an affordable interest rate of 3 per cent above the repurchase agreement rate, that is 8.5 per cent to support growth among SMEs. New overdrafts and bank loans as well as the renewal of existing facilities are being made available at the rate of 8.5 per cent. All processing costs and related charges have been waived. The Equity Fund provides a guarantee instrument to offer risk cover amounting to 35 per cent of every loan and overdraft. Banks are allowed to claim the deduction from tax, in respect of SME bad debts without the need to have recourse to the courts. These measures address both access to and cost of finance. More importantly, it does not cover only new operations but also benefits existing clients at renewal. In addition, it covers both investment and working capital.

## Social development

### Challenges

23. The major challenge facing Mauritius remains the maintenance of the welfare state. Free education, free transport for students and pensioners, free health care and pensions are becoming increasingly difficult to sustain. It is expected that the number of beneficiaries of the basic retirement pension, which was about 153,950 in December 2010, will more than double to reach 368,600 in 40 years. Likewise, based on the same rate as applicable in 2010, the amount to be disbursed in 2050 shall increase more than twofold as compared to that in 2010.

### Policy intervention

24. Orphans, widows and a large majority of those requiring special needs also receive a non-contributory monthly pension. Government expenditure on social security and welfare rose from $323 million in 2004/2005 to $587 million in 2010, showing an increase of approximately 82 per cent. At the same time, these expenses grew from 5.4 per cent to 5.9 per cent of GDP. The number of beneficiaries of the basic retirement pension, that is persons aged 60 years and over, increased by 27.4 per cent from 120,802 in June 2005 to 153,950 in December 2010. The total amount paid by Government to old-age pensioners was $220 million in 2010, compared to $116.2 million in 2004/2005. There were 21,850 beneficiaries of the basic widow's pension in December 2010, compared to 22,672 in June 2005, showing a decrease of 3.6 per cent. However, the amount disbursed increased from $21 million in 2004/2005 to $30 million in 2010. The number of beneficiaries of the basic invalid's pension increased by 10.3 per cent, from 25,646 in June 2005 to 28,280 in December 2010. The number of beneficiaries of the basic orphan's pension decreased from 457 in June 2005 to 360 in December 2010. In December

2010, 19,432 families benefited from social aid, compared to 17,536 in June 2005. The amount paid increased from $10.5 million in 2004/2005 to $18 million in 2010.

**Strategies**

25. In the field of education, Mauritius is well on its way to attain its target with regard to the Millennium Development Goal. Education is free at the pre-primary, primary, secondary levels and up to the full-time undergraduate level at the University of Mauritius. The Government has invested massively in new school infrastructure for both boys and girls. Education is compulsory until the age of 16. Books are free for students at primary level and those attending pre-primary education at age 4 and over are granted Rs200 ($7) per child per month, favouring greater access, equity and fairness in education. Transport is free to all children attending school, including those attending full-time university courses as well as pensioners, and the non-contributory old age pension is given to all citizens. Children whose parents are recipients of social aid receive a financial allowance.

## Mauritius on the global landscape

26. The Human Development Index (HDI) for Mauritius, between 1980 and 2010, rose by 1.0 per cent annually from 0.525 to 0.701 in 2010, which gives Mauritius a rank of 72 out of 169 countries with comparable data.

27. The Human Poverty Index (HPI) (which represents a multidimensional alternative to the $1.25-a-day (PPP) poverty measure) was 9.5 per cent in 2007. Mauritius was ranked 45 out of 135 countries.

28. According to the *Global Competitiveness Report 2007-2008*, Mauritius was ranked sixtieth. In the report published by the World Economic Forum for the year 2010-2011 Mauritius improved on this and reached the fifty-fifth position. Mauritius was ranked seventy-third in the *Global Innovation Index 2009-2010* overall rankings, with a Global Innovation Index score of 2.93. According to the *ICT Development Index* (IDI) figures compiled by ITU for 2010, Mauritius was ranked second in the Africa region.

## Role played by various stakeholders in developing these policies and lessons learned

29. The institutions involved in policymaking are closely linked with the individual policy stakeholders. Various parts of the Government clearly play key roles in formal policymaking, which has increasingly included the participation of a wider range of stakeholders outside of Government. Non-governmental stakeholders participate through advocacy, representation in Government bodies, consultation and policy dialogue with policymakers, and participation in coordination mechanisms. The support of a vibrant private sector also contributes immensely.

30. Policy champions and strong leadership committed to promoting a policy issue are important advocates for policy development and reform. Policy champions can come from any stakeholder group; what is important is that they have access to key decision makers. It is important to develop a continuum of participation to obtain

buy-in from all direct or indirect stakeholders. This participatory approach renders policy implementation smooth.

## Sector challenges and strategies to overcome them

31. In the absence of natural resources, and amidst fierce global competition, Mauritius faces the challenge of sustaining its socioeconomic growth in an eco-friendly environment. To this end, Mauritius is challenged to:

(a) Reduce inequality and exclusion through effective socioeconomic integration while maintaining the welfare state;

(b) Promote sustainable development through the use of renewable energy while reducing dependency on fossil fuels.

32. The first challenge currently facing the country is reducing inequality and exclusion through effective socioeconomic integration while maintaining the welfare state. On the social front, a small proportion of the population is benefiting the least from the economic progress of the past years, and pockets of poverty remain prevalent in specific regions, including Rodrigues. As regards the first Millennium Development Goal, the Household Budget Survey (2006/07) conducted by the Central Statistics Office (CSO) of Mauritius showed that the proportion of poor households below the relative poverty line (set at half the median monthly household income per adult equivalent) increased from 7.7 per cent in 2001/02 to 8.0 per cent in 2006/07. Efforts are required to better target and help vulnerable groups, especially women and children.

### Policy intervention

33. With the inclusive development paradigm, the need is felt to go beyond the established social safety nets and to direct attention to providing jobs and raising the incomes of the poor through explicit policy interventions. In other words, the focus now is on "pro-poor" growth.

### Strategies

34. The Government is setting up a social register of Mauritius in order to be able to identify the needs of the poor and measure the success of programmes offered. In its endeavour to reduce poverty, the Government of Mauritius launched the Empowerment Program (EP) in 2006 with the following objectives:

- Securing viable employment for the currently unemployed due to industry restructuring.
- Encouraging entrepreneurship and improving the capacity and competitiveness of small entrepreneurs, especially in the global market to improve export competitiveness.
- Providing transitional support to low-income and vulnerable households for housing.
- Enhancing education of the children in the most vulnerable households.

35. The Special Program for Unemployed Women, as part of EP, aims at widening the circle of opportunities for women and helping them to better exploit these prospects.

36. The Government has also set up the Trust Fund for the Integration of Vulnerable Groups, which had alleviated the plight of some 60,000 vulnerable men, women and children by end 2009. The Eradication of Absolute Poverty (EAP) programme has a subprogramme that focuses on integrated community development, which had helped 291 families by end 2009. During the same period, another subprogramme of EAP, namely the Pre-Primary School project, has been caring for 511 children from poor families who could not attend classes regularly, with free lunches, transportation, medical examinations, school materials and an "accompagnement scolaire".

37. By end 2009, the Trust Fund for the Integration of Vulnerable Groups had provided emergency assistance to almost 3,000 very poor households to build a corrugated iron sheet house, at a cost of some Rs160 million. Families with modest incomes also receive financial aid, under the "casting of slabs scheme" introduced in 1997, to add a concrete roof to their house. On average, 4,000 families benefit from this scheme every year. Flour and cooking gas are subsidized for all in Mauritius.

38. It is important to note that, in a bid to do away with a fragmented and incoherent approach to the issue of poverty eradication, in 2010 the Government set up a new ministry, namely, the Ministry of Social Integration and Economic Empowerment, which has been invested with the responsibility of acting as an umbrella ministry, thereby coordinating the several actions undertaken by both the private and public sectors as well as NGOs.

39. The State obviously cannot achieve sustainable results on its own. To ensure that the fruits of development are shared by all, the current policy to broaden the circle of opportunities comprises a corporate social responsibility scheme whereby private enterprises contribute a percentage (2 per cent of their book profit) to fund social projects.

40. The principle of equality between men and women is enshrined in the Constitution. Gender equality has been integrated in national legislation through the Sex Discrimination Act, the Protection from Domestic Violence Act and, lately, the Equal Opportunities Bill. Institutional mechanisms have been strengthened for more effective service delivery and support for women. A Ministry of Women's Rights, Child Development and Family Welfare, lately renamed as the Ministry of Gender Equality, is a testimony to the Government's commitment to place women's development high on its agenda, as a key route to growth and development. A National Gender Action Plan outlines a series of measures for the empowerment of women.

41. Strategies include gender mainstreaming in national policies and more specifically in the process of poverty reduction and sustainable economic growth to overcome the feminization of poverty and unemployment.

42. With respect to the second challenge of promoting sustainable development through the use of renewable energy while reducing dependency on fossil fuels, it should be noted that Mauritius, being an insular country, has limited access to natural resources. The energy requirement has more than trebled in the past few

decades and this trend is expected to continue in years to come. The major preoccupation of the Government for the coming decades will be in terms of energy consumption, water management and sustainable development. The Government, together with other stakeholders launched the project Maurice Ile Durable (MID) and efforts are being pulled together to achieve the project.

43. The rising demand in energy and the soaring prices of oil have urged the Government to adopt the strategy of building a green future for Mauritius through the Maurice Ile Durable concept, thereby shifting to local renewable sources of energy away from imported fossil fuel.

44. The aim of the Maurice Ile Durable Fund is to step up efforts to protect the environment through recycling, to encourage more efficient use of energy and to increase reliance on renewable energy. The initial results are encouraging.

45. Mauritius climbed to the sixth position in the 2010 Environmental Performance Index (EPI) (which ranks countries on performance indicators covering environmental health including water, air pollution and the environmental burden of disease; and ecosystem vitality, comprising forestry, fisheries, agriculture, climate change and biodiversity, among others) from the fifty-eighth position in the 2008 EPI rankings.

46. The challenge for Mauritius is to adapt to increasingly unpredictable climate change and the rise in the sea level, to provide a continuous supply of fresh water to all households throughout the year and to decrease the use of fossil fuel while achieving a target of 65 per cent autonomy by the year 2028 through increased utilization of renewable energy and more efficient use of energy.

## Assistance of international development cooperation in addressing these challenges

47. Assistance must be aligned with national challenges and ownership. Donors must adopt a joint programming modality, coordinated interventions and aid harmonization following priority areas identified by the country.

48. Currently, in Mauritius there is a well developed mechanism whereby the Ministry of Finance and Economic Development takes a lead role in coordinating all development assistance. It selects priority projects critical for the Government on the basis of a business plan whereby these are matched against fields/domains where development partners have a comparative advantage. This avoids duplication of activities. Obviously, it presupposes that the country has already formulated its country partnership strategy based on the vision of the country and developed jointly with development partners.

49. While this is a good practice that has worked, it nevertheless has ramifications for line ministries in tapping the relevant, appropriate and just-right technical assistance for implementation of their projects.

50. Illustratively, the European Commission has been an active partner to the country through the General Budget Support Program, which is linked with the achievement of performance indicators, as elaborated in a results matrix covering sectors such as the energy, environment, wastewater, sugar, education and empowerment sectors.

### Promotion of policy coherence among various sectors that directly or indirectly impact on development

51. In an increasingly interdependent world, the domestic policy space is itself subject to global forces and to rules governing international trade and finance. For this reason, policy coherence, especially with respect to trade and finance, is also required at the global level to support project outcomes at the national level.

52. Coherence can be promoted at different levels: within development cooperation, between aid and non-aid policies of one donor country, between donors, and between donors and recipients. According to the OECD definition, policy coherence for development means working to ensure that the objectives and results of a Government's development policies are not undermined by other policies of that Government that impact on developing countries, and that these other policies support development objectives, where feasible.

53. As national or international interests compete, fully coherent policies are often not feasible. Development is not the only goal of Government policy and competing interests, such as employment, safety standards for consumers, environmental quality and moral convictions, carry a lot of weight. In a democracy, these competing interests will lead to compromises, within which the extent to which some interests override others is a matter of stakeholder power and political positions.

## Part B
## Promoting productive capacity, employment and decent work to eradicate poverty in the context of inclusive, sustainable and equitable economic growth at all levels for achieving the Millennium Development Goals

### Challenges

54. If pairs of hands were sufficient to make Mauritius a politically and economically stable country in the 1970s and 1980s, current economic growth can only be sustained by pairs of thinking hands. Two major challenges of the world are ensuring that the fruits of development reach the most needy through the equitable distribution of resources and opportunities, and the development of human capabilities to address the challenges of development. Thus, through the reduction of unemployment and poverty, human resource development remains one of the main ingredients to decrease income and wealth inequalities. A precondition for sustained economic growth remains the creation of productive and decent jobs. Jobs can only be sustained if they are in line with the decent work agenda of the International Labour Organization (ILO), meaning that work is productive and delivers a fair income, that workplaces are secure, that social protection is provided and that work provides better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives, and equality of opportunity and treatment for all

women and men.[5] A fair distribution of wealth, social welfare, equity, peace and human rights remain the key ingredients for sustainable development.

## Employment, unemployment and labour force

55. The number of people employed in Mauritius in 2011 was 541.8 thousand, whereas the number of unemployed people was 45.2 thousand. As at January 2012, the number of valid work permits issued was 34,590 (tables 1-3).

Table 1
**Total number of people in employment (Mauritians only) by gender, 2002-2011**

| *Year* | *Male* | *Female* | *Total* |
|---|---|---|---|
| 2002 | 321.8 | 154.4 | 476.2 |
| 2003 | 323.5 | 157.3 | 480.8 |
| 2004 | 327.8 | 158.9 | 486.7 |
| 2005 | 329.4 | 161.2 | 490.6 |
| 2006 | 332.2 | 166.4 | 498.6 |
| 2007 | 335.02 | 167.1 | 502.12 |
| 2008 | 341 | 178 | 519 |
| 2009 | 342.3 | 182.5 | 524.8 |
| 2010 | 345.7 | 190.4 | 536.1 |
| 2011 | 344.8 | 191.9 | 536.7 |

Table 2
**Number of valid work permits by gender, as at end January, 2005-2012**

| | *Male* | *Female* | *Total* |
|---|---|---|---|
| Jan 2005 | 13 315 | 9 174 | 22 489 |
| Jan 2006 | 14 421 | 9 703 | 24 124 |
| Jan 2007 | 18 025 | 11 391 | 29 416 |
| Jan 2008 | 23 260 | 12 392 | 35 652 |
| Jan 2009 | 20 294 | 11 267 | 31 561 |
| Jan 2010 | 16 875 | 10 746 | 27 621 |
| Jan 2011 | 22 726 | 11 618 | 34 344 |
| Jan 2012 | 21 955 | 12 635 | 34 590 |

[5] The decent work concept was formulated by ILO constituents — Governments and employers' and workers' organizations — as a means to identify the organization's major priorities and to modernize its approach for the twenty-first century. The decent work agenda is setting out how to implement the concepts' four strategic objectives (employment, fundamental principles and rights, social protection and social dialogue), with gender equality as a cross-cutting objective. More information is available from www.ilo.org.

Table 3
**Unemployment ('000), 16 years and over, 2002-2010**

| *Year* | *Male* | *Female* | *Total* |
|---|---|---|---|
| 2002 | 18 | 18.8 | 36.8 |
| 2003 | 19.6 | 20.5 | 40.1 |
| 2004 | 20 | 24.6 | 44.6 |
| 2005 | 20.2 | 31.7 | 51.9 |
| 2006 | 19.2 | 30.6 | 49.8 |
| 2007 | 18.6 | 28.2 | 46.8 |
| 2008 | 14.6 | 25.8 | 40.4 |
| 2009 | 15.8 | 25.7 | 41.5 |
| 2010 | 16.7 | 28.5 | 45.2 |

56. Mauritius has ratified 36 ILO conventions, including the eight core conventions guaranteeing fundamental rights and principles at work.

## Labour productivity

57. From 1999 to 2009, labour input for the whole economy grew by an average of 1.2 per cent annually.[6] Labour productivity, as measured by real output per person engaged, grew by 3.4 per cent for the economy as a whole. In 2009, labour productivity for the economy grew by 2.6 per cent, higher than the 1.4 per cent growth registered in 2008.[7] This higher rate was mainly due to a lower growth of 0.5 per cent in labour input in 2009, compared to 3.7 per cent in 2008.

[6] Employment/labour input is most appropriately measured by hours worked and its price by average compensation per hour. However, due to lack of data, the total number of persons engaged, defined as employers, own account workers, contributing family workers and employees in any type of economic activity, is used. Prior to 2000, employment for year n was calculated as the average of employment at June of year (n) and June of year (n+1). As of 2000, average employment for a given year is available and thus the data has been used for the computation of labour input. The labour input index shows the rate of change in employment. The labour input index = (average number of persons engaged in year n/average number of persons engaged in base year) x 100.

[7] Labour productivity is conventionally measured as the ratio of real output to labour input. (Real output is defined as value added at constant basic prices. Value added is the value of any industry's final output, less its purchases of intermediate products, raw materials and services. Value added is also equal to the amount available for distribution to the factors of production in the form of wages and salaries, profits, allowance for depreciation, interest and dividends.) Although this measure relates output to the number of employees, it does not measure the specific contribution of labour as a single factor of production. Rather, it reflects the joint effects of many influences, including new technology, capital investment, capacity utilization, energy use and managerial skills, as well as the efforts of the workforce. The labour productivity index shows the rate of change in output per person engaged. The labour productivity index = (output index/labour input index) x 100.

58. Over the years, while capital productivity declined by 0.6 percent annually, labour and multifactor/total productivity witnessed positive annual growths of 3.4 per cent and 0.3 per cent, respectively.[8]

59. From 1999 to 2009, average compensation for employees increased by an average of 8.0 per cent annually for the whole economy. Unit labour cost (ULC), defined as the remuneration of labour (compensation of employees) per unit of output grew at an average annual rate of 4.5 per cent for the total economy.[9] During the same period, unit labour cost in dollar terms increased at an average annual rate of 2.0 per cent for the total economy. In 2009, ULC for the economy increased by 3.9 per cent, compared to 8.6 per cent in 2008. In dollar terms, ULC in 2009 declined by 7.7 per cent for the whole economy, compared to a rise of 14.4 per cent in 2008, as a result of a depreciation of 12.6 per cent of the rupee.[10]

60. Hourly labour cost (HLC) is the ratio of compensation to total hours worked, inclusive of overtime. Compensation of employees comprises wages and salaries in cash and in kind, bonus, overtime and social contribution incurred by employers. Table 4 shows that, as compared to 2008, in 2010 there has been a rise of 3 per cent in HLC due to a rise of 4 per cent in the textile sector and a rise of 2 per cent in the non-textile sector. In dollar terms, HLC has also increased by 7 per cent and 6 per cent in the textile and non-textile sectors, respectively.

61. Physical capital accumulation has been the key driver of the Mauritian economy over time. Growth accounting techniques suggest that GDP growth in Mauritius has been led by input accumulation as opposed to increases in multifactor/total factor productivity (TFP). Physical capital has been particularly dominant, accounting for 86 per cent of output growth between 1999 and 2009, while human capital accounted for 12 per cent and TFP only 2 per cent. Despite known limitations to growth accounting exercises, the leading role played by physical investment is a well-established stylized fact in Mauritius. This result is consistent with theoretical explanations for a less developed economy that is converging to a higher GDP per capita equilibrium. Nonetheless, the recent experience of emerging economies has shown that TFP has been generally a higher contributor to growth, accounting for example as much as 35 per cent in Hong Kong over the period 1970-1991.[11]

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[8] The limitation of partial productivity measures such as labour and capital is that they attribute to one factor of production changes in efficiency that are attributable to other factors. Multifactor productivity (MFP), or total factor productivity (TFP), reflects many influences including qualitative factors such as better management and improved quality of inputs through training and technology. The MFP index shows the rate of change in "productive efficiency" and is obtained as the ratio of output to multifactor input, that is a weighted combination of labour and capital inputs.

[9] Unit labour cost is the remuneration of labour (compensation of employees) to produce one unit of output.

[10] For competitiveness purposes, the exchange rate effect has to be taken into account. ULC is therefore computed both in the local currency and in the United States dollar. The ULC index (United States dollar) = ULC index (Mauritian rupees)/(exchange rate index of Mauritian rupees-United States dollar).

[11] See Young (1992) and Ferreira et al. (2004) for further comparison. The only notable exception has been Singapore, where TPF growth has played a marginal role.

Table 4
**Unit labour cost in Mauritian rupees and United States dollars: textile and non-textile subsectors of export oriented enterprises, 1999-2010**

(Index 2000=100)

| | *Unit labour cost (Mauritian rupees)* | | | *Exchange rate Mauritian rupees/United States dollars* | | *Unit labour cost (United States dollars)* | | |
|---|---|---|---|---|---|---|---|---|
| *Year* | *Total* | *Textile* | *Non-textile* | *Index* | *Percent change*[a] | *Total* | *Textile* | *Non-textile* |
| 2000 | 100.0 | 100.0 | 100.0 | 100.0 | 4.4 | 100.0 | 100.0 | 100.0 |
| 2001 | 104.6 | 102.4 | 118.6 | 110.7 | 10.7 | 94.5 | 92.5 | 107.2 |
| 2002 | 115.2 | 121.3 | 80.6 | 114.1 | 3.1 | 101.0 | 106.3 | 70.6 |
| 2003 | 118.7 | 126.4 | 77.1 | 108.1 | -5.3 | 109.8 | 117.0 | 71.3 |
| 2004 | 124.0 | 135.3 | 70.7 | 105.7 | -2.2 | 117.3 | 128.1 | 66.9 |
| 2005 | 125.1 | 137.5 | 73.1 | 111.3 | 5.3 | 112.4 | 123.5 | 65.6 |
| 2006 | 126.1 | 140.7 | 72.7 | 118.6 | 6.6 | 106.3 | 118.6 | 61.3 |
| 2007 | 133.4 | 144.5 | 89.3 | 119.5 | 0.7 | 111.7 | 121.0 | 74.8 |
| 2008 | 139.6 | 150.4 | 98.7 | 108.0 | -9.6 | 129.3 | 139.2 | 91.4 |
| 2009 | 138.4 | 149.8 | 102.3 | 121.6 | 12.6 | 113.8 | 123.2 | 84.1 |
| 2010 | 142.4 | 155.6 | 104.5 | 117.6 | -3.3 | 121.1 | 132.3 | 88.9 |

*Source*: Statistics Mauritius (2010), *Digest of productivity and competitiveness statistics 2009*.
[a] Depreciation/appreciation of the Mauritian rupee vis-à-vis the United States dollar.

62. Mauritius subscribes to the major education-related conventions and goals, including both the Education for All goals and the Millennium Development Goals. In fact, the economic and social cohesion policies of a multiracial, multilingual and multi-ethnic Mauritius are aligned with Millennium Development Goal indicators.

63. A well-educated population is essential to a country's economic and social development. Societies therefore have an intrinsic interest in ensuring that children and adults have access to a wide variety of educational opportunities. Mauritius has systematically shown a high level of commitment to the provision of educational opportunities for all based on the conviction that, if early childhood programmes prepare children for primary education and provide opportunities to enhance and complement their educational experiences at home while helping to combat linguistic and social disadvantages, primary and secondary education for their part lay the foundation for the development of a broad range of competences and prepare young people to become lifelong learners and productive members of society.

## Policy intervention: continuous improvement of competitiveness within the global economy through enhancement of a creative, skilled and competent human resource base

64. Prosperity and fairness in the new global economy can be achieved only if world class skills are achieved. Without world class skills, businesses will find it increasingly difficult to compete and innovate. Thus, the success of the

developments in the various sectors in Mauritius relies mainly on the availability of skilled labour in the required number. Inadequate labour supply could lead to an appreciable slowdown in growth. The delocalization of textile and garment factories from Mauritius to other parts of the world where the wages are lower shows that economic activities are increasingly located according to comparative advantage.

65. The World Economic Forum, in its publication *The Global Competitiveness Report 2011-2012*, ranks Mauritius fifty-fourth in terms of global competitiveness. This rank is up one place since the previous year, and directly following South Africa. Table 2 in the annex shows the ranks attributed to Mauritius by the World Economic Forum. Overall, Mauritius is ranked eighty-second in terms of its capacity to innovate, with a score of only 3 out of 7. It is a fact that, in terms of availability of scientists and engineers, Mauritius is lagging behind as it ranks 112 out of 142 in the world.

66. To move to a higher plane of development, Mauritius needs a competent and skilled labour force.

67. Therefore, it is important to promote skills development as well as research and development. The skills available are not adequate in meeting the skills in demand. There is a high proportion of mismatch of labour, which needs to be corrected if the country wants to take the right track towards development.

**Strategies**

68. Various measures have been initiated by different authorities to bridge the gap between skills supply and skills requirements.

69. These are still greatly insufficient in reducing the mismatch significantly. The education sector, especially training centres and universities, has been encouraged to train people in skills according to the labour market demand. Institutions such as HRDC have conducted surveys to identify the skills requirements of the country.

70. Skilled workers are more able to adapt quickly and effectively to change. The ability of companies to absorb new technology is linked to a firm's skill composition. The projected strong demand for higher skilled occupations in high-skilled sectors undoubtedly suggests the need for an intensification of human resource support for high-tech areas; but the evidence also signals a parallel need for human resource investment across a wider range of skills. This underlines the importance of continuous redevelopment of existing education and training policies to cater for the full range of skill needs. Training and retraining programmes should be emphasized for both employers and employees to increase the mobility and adaptability of the nation's workforce towards knowledge-intensive and higher value added activities.

**National Human Resource Development Plan**

71. This National Human Resource Development Plan for Mauritius, which is a policy framework for education, training programmes and career progression to meet the country's skills and competence needs, was prepared in 2007 and revised in 2010. The objectives of the plan are to estimate demand for manpower in key sectors in terms of different skills/knowledge; to decrease the mismatch between the demand and supply of manpower; and to develop proactive human resource development policies.

**National Training Fund**

72. The National Training Fund has been set up through contributions from the private sector and the Government in order to support the training of existing employees so that they acquire the necessary skills and competencies. Currently, the Fund is being used to train about 10 per cent of our labour force. The aim is to train around 20 per cent of the labour force in the coming years.

**Sponsored Pre-job Training**

73. In order to reduce youth unemployment in Mauritius while helping them to acquire experience and make them more employable, the Government has set up the Sponsored Pre-job Training initiative. Through this scheme, HRDC refunds 60 per cent of the training costs incurred by an employer in training an unemployed person as well as contributes half of the stipend worth Rs6000 for up to six months.

**The Workfare Programme**

74. Various measures have been initiated by different authorities to bridge the gap between skills supply and skills requirements, including the Placement for Training Program (PTP) (mix of work and training), Circular Migration programme, interactive platform for jobseekers and employers (espace des métiers), Life Skills Program, Special Entrepreneurship Programme, Special Program for Unemployed Women (SPUW) and Eradication of Absolute Poverty programme. These are still greatly insufficient in reducing the mismatch significantly. Since its creation in 2006 and up to December 2009, the Placement for Training Program placed approximately 8,000 workers. The education sector, especially training centres and universities, has been encouraged to train people in skills according to market demand.

75. Skilled workers are more able to adapt quickly and effectively to change. The ability of companies to absorb new technology is linked to a firm's skill composition. The projected strong demand for higher skilled occupations in high-skilled sectors undoubtedly suggests the need for an intensification of human resource support for high-tech areas but the evidence also signals a parallel need for human resource investment across a wider range of skills. This underlines the importance of continuous redevelopment of existing education and training policies to cater for the full range of skill needs. Training and retraining programmes should be emphasized for both employers and employees to increase the mobility and adaptability of the nation's workforce towards knowledge-intensive and higher value added activities.

76. The Workfare Programme (WP) has been initiated by the Government to protect laid-off workers in a difficult phase of their lives by providing them with financial relief and assistance in terms of job placement, training/re-skilling and starting up a business. It has been incorporated in the new labour laws of 2008 under the Employment Rights Act 2008 and became effective as of 2 February 2009 following the proclamation of the Act. The Programme is monitored at the level of the Ministry of Labour, Industrial Relations and Employment under a special unit, namely, the Workfare Programme Unit (WPU). The Government of Mauritius has introduced this feature to sustain levels of employment and to improve quality of services and industry. Under the Act, the Government grants a transition unemployment benefit to every worker whose agreement has been terminated and

who has joined the Workfare Programme; this benefit is paid for a minimum period of 1 month and a maximum period of 12 months.

**Review of the Industrial Relations Act and the Labour Act**

77. The Employment Relations Act and the Employment Rights Act, which were passed by the National Assembly on 22 August 2008, came into operation on 2 February 2009 following their proclamation by the President of the Republic. The Employment Rights Act 2008 (the "Act") came into force on 2 February 2009. The Act was introduced at a crucial time in the history of employment law in Mauritius in as much as until its advent, the laws of employment were governed predominantly by the Labour Act 1975 (the "old law") and other pieces of legislation that were not enabling in nature and in respect of which the old law was the "feeder" piece of legislation.

78. Over the years, it was felt that the changes that were made to the old law were not sufficiently consonant with the needs of the modern employment environment in Mauritius that now accommodates a substantial percentage of foreign workers at all levels of the work stratum.

79. While it cannot be said that in repealing the old law the Act has revolutionized the existing employment law structure in Mauritius, it is apposite to mention that it has achieved a twofold result. Firstly, the Act has consolidated the old law and contracts of employment. Secondly, it has endorsed concepts that are now accepted as intrinsic to most modern employment law regimes. Accordingly, it has opened the doors for the possibility to negotiate a well-defined group of elements forming the essence of the contract of employment.

80. The Act therefore marks the beginning of a new era in approach to the principles underpinning the employment laws of Mauritius.

81. The Employment Relations Act focus, inter alia, on:

(a) The protection and enhancement of the democratic rights of workers and trade unions;

(b) The simplification of the procedures for registration and recognition of trade unions;

(c) The promotion of collective bargaining;

(d) The promotion of voluntary settlement and peaceful resolution of disputes;

(e) The strengthening of the disputes and conflict resolution procedures and institutions to ensure speedy and effective settlements;

(f) The right to strike as a last resort after conciliation and mediation has failed;

(g) The building of a productive employment relationship.

82. The object of the Employment Rights Act is to revise and consolidate the law relating to employment, contracts of employment or service, the minimum age for employment, hours of work, payment of remuneration and other basic terms and conditions of employment with a view to ensuring the appropriate protection of workers. In accordance with the Government's philosophy, every step has been

taken to ensure that, while facilitating the employment of jobseekers and new entrants on the labour market, workers are in no way penalized. In fact, an innovative feature of this new legal framework is the setting up of a workfare programme that facilitates the placement of laid-off workers in new jobs or their training for greater employability or, should they so choose, helps them to become small entrepreneurs, together with the payment of a transition unemployment benefit of at least Rs3000 for a maximum period of one year.

**Green jobs**

83. Mauritius is well set towards the path of promoting sustainable development through the vision of the Prime Minister to make the island "Maurice Ile Durable". National consultations with a wide range of stakeholders were held during June and July 2011 in the areas of: energy, education, environment, employment/economy and equity, identified as the five pillars of sustainable development for Mauritius. The International Labour Organization is supporting Mauritius in its endeavour to become a sustainable island through the promotion of green jobs. Green jobs allow for the generation of alternative employment with reduced environmental impact. The ILO programme promotes green jobs within the unique tripartite context of the organization, which brings together representatives of Governments, employers and workers to jointly shape policies and programmes.

84. For the Green Jobs Programme in Mauritius, four studies are being conducted in line with the tripartite philosophy of ILO:

- A green jobs assessment study
- A study on the skills for green jobs
- Greening of enterprises in Mauritius
- Stocktaking exercise on trade unions involvement in green jobs in Mauritius

85. The studies propose policy recommendations for the MID policy, strategy and action plan.

**National Empowerment Foundation**

86. The Government of Mauritius established the National Empowerment Foundation (NEF) with the aim of helping the most vulnerable to empower themselves and improve their living conditions. NEF is a non-profit company, which operates under the aegis of the Ministry of Social Integration and Economic Empowerment.

87. To date, more than 13,600 unemployed persons are registered on this database from all sectors of the economy and all activities. From the beginning 2007 to end 2009, more than 8,200 jobseekers benefited from a job placement. Around 60 per cent of them have obtained a job during the placement which lasted 3 to 12 months. Up to 60 per cent of the training cost is refunded and up to 50 per cent of the stipend is offered to trainees.

88. The poverty line has recently been increased from Rs5000 to Rs6200, as defined by NEF. Several projects are being implemented by NEF, including:

- Placement for Training Program (mix of work and training)

- Circular Migration
- Espace des métiers
- Life Skills Program
- Special Entrepreneurship Programme
- Special Program for Unemployed Women
- Eradication of Absolute Poverty

**National Employment Policy**

89. With the support of the International Labour Organization, the Ministry of Labour, Industrial Relations and Employment has prepared a National Employment Policy (NEP) for Mauritius.

90. NEP is an active policy framework for achieving the goal of productive employment and decent work for all as well as meeting the employment challenge through well-targeted policies and programmes while stimulating economic growth and development, meeting manpower requirements, reducing skills mismatch, promoting equal pay for equal work, and minimizing unemployment and underemployment.

91. The National Employment Policy aims at:

(a) Improving the competitiveness of Mauritius by:

- Enhancing the human capital through the promotion of a creative, innovative, skilled and competent human resource base
- Optimizing the use of human resources
- Improving the productivity of the labour force and workers' adaptability to the changing requirements of the dynamic labour market;

(b) Ensuring decent and productive work for all who are available and seeking work through:

- Sustainable employment growth
- Continuous improvement in the quality of jobs in line with the principles enshrined in ratified international conventions;

(c) Ensuring freedom of choice and the best possible opportunities for each worker to qualify for, and to use his or her skills and endowments in, a job for which s/he is well suited without any discrimination;

(d) Safeguarding the basic rights and interests of workers by promoting respect for relevant international labour standards;

(e) Ensuring industrial peace and harmony, maximizing productivity and minimizing job losses through industrial unrest by securing maximum cooperation from, and participation by, all the stakeholders including the association of employers and trade unions.

**Principles of NEP**

92. Employment will be coordinated and implemented within the framework of national economic, social, environmental and legal policy, underpinned by deepening good governance and civic responsibility. In this regard, this National Employment Policy is consistent with the overall national development strategies. The following principles underlie NEP:

(a) Creating sufficient number of decent jobs for all citizens in the formal sectors while facilitating the transition from informal sectors to formal ones;

(b) Helping all men and women who are available and willing to work to attain a secured and sustainable livelihood through fully productive and freely chosen employment and work;

(c) Improving the competitiveness of Mauritius by improving the quality of jobs in terms of salary, working conditions, productivity, basic social security, job satisfaction, dignity and self-fulfilment;

(d) Reducing unemployment, underemployment, job losses, poverty, child labour and low productivity;

(e) Achieving sustainable economic growth while strengthening social cohesion and equity in the labour market by avoiding marginalization of some sections of the population;

(f) Creating the necessary synergy while instilling coherence and convergence in various initiatives taken by all the stakeholders (including employers, employees, unions and the Government), working towards achieving the goal of productive employment and decent work for all as well as industrial peace and harmony;

(g) Supporting the private sector to become the major investor in productive enterprises that provide increased employment and generate incomes while promoting an enterprise culture that will induce self-reliance, risk taking and a national environment that rewards effort and initiative;

(h) Supporting self-employed people by strengthening their capabilities to improve their earnings as well as helping them to shift their focus from working for survival to adopting an entrepreneurial culture for productive employment with rising income;

(i) Maintaining stable and favourable macroeconomic policies;

(j) Pursuing vigorous human resource development, providing basic infrastructure and additional incentives to support a vibrant private sector as the engine of economic growth and job creation;

(k) Improving the productivity of the labour force in order to improve the competitiveness of enterprises and organizations while ensuring employees are well remunerated consistent with productivity;

(l) Ensuring that employees' basic rights are safeguarded through adherence to relevant international labour standards;

(m) Creating a socially and economically conducive environment in which workers' adaptability to the changing requirements of the labour market increases

and people can use their skills and competences in a job for which they are well suited irrespective of race, colour, sex, religion, ethnic group, HIV/AIDS status, political opinion, national extraction or social origin, while having the opportunity to develop their full potential and acquire the tools to enhance their own human capabilities — to accumulate knowledge, to gain access to resources and to participate in the well-being of the community;[12]

(n) Developing an education and training system aligned with the changing requirements of the labour market;

(o) Promoting measures to reconcile work and family responsibilities as well as the work-life balance;

(p) Designing measures to facilitate temporary employment abroad; establishing and improving bilateral agreements with host countries to facilitate legal migration while enacting measures to ease the return of migrant workers to Mauritius;

(q) Implementing sound management of migrant workers;

(r) Setting up new structures while strengthening existing ones that would create employment opportunities for citizens from vulnerable groups as well as providing adequate safety nets;

(s) Establishing a sound relationship between work and welfare in such a way that needs of individuals, the market and society as a whole are met;

(t) Implementing active labour market programmes and facilitating the transition from school and from inactivity towards the world of work as well as collecting and disseminating detailed and frequently updated labour market information that is relevant, accurate and reliable on the size and structure of the labour force;

(u) Assisting in the expansion of individualized counselling services and job search assistance;

(v) Conducting research for the purposes of labour market projections and development planning;

(w) Promoting the principles of collective bargaining, workers' education and adjustment in wages linked to price and productivity changes.

## Literacy rate

93. Over the 10-year period from 1990 to 2000, the literacy rate increased from 80.8 to 85.0 per cent, the illiteracy rate being highest among adults aged 55 and over. A higher literacy rate is observed in Rodrigues compared to the mainland. The literacy rate for the age group 15-24 years was 94.5 per cent as measured by the census of 2000. The higher literacy rate for females for this age group indicates a reversal of the situation that had previously prevailed.

[12] This is in line with ILO Convention No. 111, which Mauritius has ratified.

## Educational attainment

94. Educational attainment is one of the measures of school outcomes and it is often measured by end-of-cycle examinations at three key stages, namely, the Certificate of Primary Education (CPE) at the end of primary cycle and the Cambridge School Certificate (SC) and Higher School Certificate (HSC) at the end of secondary cycle. While the upper secondary graduation rate does not guarantee that an education system has adequately equipped its graduates with the basic skills and knowledge necessary to enter the labour market because this indicator does not capture the quality of educational outcomes, it does, however, provide an indication of the extent to which an education system succeeds in preparing students to meet the minimum requirements of the labour market.

95. On average, the number of years of education measured against the above-mentioned examination system, which regulates the flow of students from one level to the next, is about 10 years. This falls short of the country's goal of providing 11 years of schooling to all.

> In line with the Millennium Development Goals and the Education for All goals, from here onwards, focus will be placed exclusively on the pre-primary, primary and secondary subsectors while, admittedly, a great number of innovations are currently afoot to revamp the higher education subsector in a bid to transform Mauritius into a knowledge hub.

### Challenges in the system

96. Notwithstanding the very high level of participation of Mauritian children in the schooling process (nearing 100 per cent, with 96 per cent at the pre-primary level and a survival rate of 98 per cent at the primary level) and the free access at the secondary level as well as total gender parity in enrolment in the system, there are still some serious challenges to be addressed.

### Dropouts

97. The yearly dropout rate at the primary level is about 0.5 per cent. At the secondary level, every year about 1.5 per cent of students leave the system before reaching the fourth year of secondary schooling. In addition, about 9 per cent of students enrolled in the prevocational stream (which caters for the double failures with respect to CPE) do not complete the third year of prevocational education. These children enter adolescence ill prepared for work, further schooling and the practicalities of coping with life.

## Ensuring successful completion of schooling

98. The real issue for the country is to ensure that all children successfully complete secondary education. Currently, about 35 per cent of children fail to obtain CPE. Of these, about 20 per cent repeat CPE and those having failed CPE twice or who have reached the age of 13 are enrolled in the three-year prevocational stream. A cohort analysis reveals that, out of 100 children entering Grade I, only 27

complete the last grade at upper secondary. Thus the challenge today remains the successful completion of primary and secondary education by all as it is upper secondary education that serves as the foundation for advanced learning and training opportunities, as well as preparation for direct entry into the labour market.

**Rote memorization**

99. An end-of-cycle examination, which serves a dual purpose of certification and selection for secondary schools, has led to a culture of competition that is deeply entrenched. This is reflected in a teaching style that is assessment-oriented, resulting in teaching-to-the-test and rote memorization rather than developing the ability of learners to indulge in some level of critical thinking. It also results in concentration on core examinable subjects, rather than on those areas that would serve the interest of a holistic development of the learner.

**Private tuition**

100. This parallel form of education has for long plagued the system. By focusing on student outcomes (as measured exclusively by quantifiable outcomes such as pass rates, completion rates, etc.), there is an inherent danger for the current system of examination-centred teaching and learning, school selection and tracking processes, as well as private tuition, to be perpetuated by the system. Private tuition is hence a deep-rooted phenomenon that has to be addressed holistically and in an integrated manner.

**The Education and Human Resource Strategy Plan (2008-2020)**

101. All these above-mentioned issues are fully addressed in the Education and Human Resource Strategy Plan (2008-2020), which constructs the following vision for the sector: "A quality education for all and a human resource development base to transform Mauritius into an intelligent nation State in the vanguard of global progress and innovation."

**Pro-poor policies: policies and support measures pertaining to equity and quality issues**

102. It is widely recognized today that the issue of access to basic education, including to pre-primary and secondary education, has been universally addressed. All efforts are today channelled towards ensuring greater equity and quality improvement in the system.

103. It is also recognized that low-quality education renders trainability difficult and restricts the scope for future employment. The move is accordingly towards a new phase in education where the wealth of a nation will be measured by the skills and knowledge of its people, the most important levers to create wealth and reduce social deprivation.

104. Eradication of absolute poverty is high on the national agenda and vulnerable groups have to be empowered through education, training and skills enhancement. The provision of an inclusive education has today taken the following forms:

### 1. Concerns for children with special education needs

105. Children currently being catered for in special education needs (SEN) schools/units represent only about 53 per cent of the estimated total population of children with special educational needs, whose needs are not currently being met.

106. In 2006, the Ministry developed a National Policy and Strategy Document for the special education needs sector to respond to both the specific and emerging educational needs of all the children concerned. The document lays emphasis on the need to adopt a child-centred pedagogical approach as well as a flexible and adapted curriculum that will help each child to develop his or her full potential.

107. In order to successfully attain the strategic objectives set for the SEN sector, the following four crucial elements are being worked on today:

(a) An appropriate curriculum together with an adapted pedagogy;

(b) An appropriate quality assurance framework to harmonize the level of educational services dispensed by the different stakeholders involved in the sector;

(c) Capacity-building programmes for trainers and teaching personnel;

(d) An appropriate regulatory framework to ensure the provision of adapted and quality education services so as to cater for the different types of special needs/disabilities of children aged between 3 and 20 years.

### 2. Provision of quality pre-primary education

108. The following measures are part of policy developments to address the above issue:

- Strengthening the institutional and regulatory framework for the provision of early childhood care and education.
- Reduction of disparity among preschools.
- Addressing the problem of out-of-school pre-primary children due to absolute poverty.
- Developing a national curriculum framework for the pre-primary subsector.
- Ensuring readiness of all pre-primary schoolchildren for primary school.
- Construction of pre-primary units in disadvantaged areas.
- Strengthening partnerships with parents through a Parent Empowerment Program.

109. Special efforts have been made to reach out to the 15 per cent of children aged 3 and 4 years, who were not attending school, most of whom came from vulnerable families.

110. Equally, children in families living in poverty are supported through the Eradication of Absolute Poverty (EAP) empowerment programme, which:

(a) Ensures that poor children of pre-primary school-going age attend school;

(b) Provides these children with school materials, a free lunch and free transport;

(c) Provides parents with a decent job with sustainable income under the training and placement programme;

(d) Provides life skills mentoring to ensure the proper management of family affairs.

### 3. The Zones d'Education Prioritaires

111. Primary schools that scored 40 per cent or less in CPE examinations for five consecutive years have been classified as ZEP schools. The 30 ZEP schools, including one in Rodrigues and two in Agalega, are in or close to poverty areas where many social problems thrive.

112. Based on the notion of positive reinforcement, the ZEP project aims at reducing school and social inequalities by providing equitable opportunities to the schoolchildren as part of affirmative action. It hence aims at mobilizing all the resources within the zone to contribute in raising the standard of achievement of the school.

### 4. Other measures that ensure a level playing field

113. The following measures have been taken to ensure equity:

- Introduction of Kreol Morisien (mother tongue) and Bhojpuri (ancestral language) as optional subjects at school. This is a major novelty and all modalities pertaining to curriculum development, the production of textbooks and training of teachers are being looked into to ensure the introduction of these languages in primary schools as of 2012. This measure will help to cement multiculturalism and interculturalism in particular, which form the basis of Mauritian society.
- The provision of a subsidy for SC and HSC fees to ensure that students from poor families taking part in SC and HSC examinations are given every support to complete their cycles of study and that they are not handicapped on grounds of affordability. This measure provides them with further avenues for a smooth transition to post-secondary education.
- The review of the existing Laureate Scheme (that offers fully funded scholarships for overseas studies to the best candidates in the HSC examinations) aims at bringing more equity into the system and providing opportunities to bright students from low-income families who otherwise would have been deprived of a scholarship although they are highly meritorious. This will be phased in as from next year. In addition, the Human Resource, Knowledge and Arts Development (HRKAD) Fund ensures scholarships are provided for post-secondary and tertiary studies in recognized higher education institutions to underprivileged students. Under the same scheme, bank loans are also guaranteed by the Ministry for those whose families that have no assets.
- Free transport (including bus facilities in some cases) is provided to all schoolchildren as well as university students.
- Textbooks are freely provided to all primary schoolchildren while at the secondary level; the Books for the Needy Scheme caters for those children coming from economically vulnerable groups.

**Other Education for All goals**

114. The final part of this report will broadly take up goals 3, 4 and 6 and indicate actions taken to attain them.

**Education for All goal 3: Ensuring that the learning needs of all young people and adults are met through equitable access to appropriate learning and life skills programmes**

115. Education is compulsory from the age of 5 years till the age of 16 years. Learning and life skills are offered as formal programmes. Provision is equally made for those pupils who have not succeeded in their primary schooling and who are therefore not eligible for secondary schooling. A three-year prevocational education stream has been created in secondary schools alongside mainstream secondary education to provide an alternative general education to these children. They can subsequently join the vocational stream after having followed a foundation course.

116. Policies also focus on broadening the opportunities of young people who missed out on education in their early years. Through a Second Chance Program, all young people under 21 who are not in full-time education or full-time employment are provided with basic numeracy and language skills and oriented to a vocational programme so as to develop their skills for the start of a sustainable livelihood.

**Education for All goal 4: Achieving a 50 per cent improvement in levels of adult literacy by 2015, especially for women and equitable access to basic and continuing education for all adults**

117. The adult literacy rate for the age population of 15 and above stands at 84.3 per cent (2000 census figures) and is slightly lower among females, at 80.5 per cent as opposed to the male literacy rate of 88.2 per cent.

118. Life skills basic and continuing education and literacy programmes are dispensed through non-formal institutions. This responsibility does not fall solely under the mandate of the Ministry of Education but rather is spread among several ministries, non-formal institutions and NGOs. Such programmes include the following:

(a) Core skill training programme designed to include basic core skills including literacy and numeracy among the lower grade workforce so as to make them more employable and to adjust easily to the changing economic environment;

(b) Training of retrenched workers, especially female workers, under the Empowerment Program;

(c) On-the-job training to meet the challenges of the changing work environment.

**Education for All goal 6: Improving all aspects of the quality of education and ensuring excellence of all so that recognized and measurable learning outcomes are achieved by all, especially in literacy, numeracy and essential life skills**

119. The curriculum is an important element that has been given due consideration as it provides the tools to facilitate the development of a more inclusive system. A renewal of the curriculum has accordingly been embarked upon at the pre-primary,

primary and secondary levels. Inbuilt in the new curriculum is a holistic system of assessment to ensure that learning outcomes are met.

120. While efforts are made at the pre-primary level to standardize teaching and learning and to adopt the best practices that will be most suited to the overall development of the child, an assessment tool is being developed to ensure readiness of the children for primary education.

121. Assessment is also integrated in the new competence-based primary school curriculum:

- Baseline profiling at the start of primary schooling gives an indication of the learner's acquisition of skills and competencies at the end of the preschool cycle and aims at addressing learning deficits so that all children start on the same footing.
- Diagnostic assessment implemented in Grade 3 aims at mapping the weaknesses and strengths of pupils after two years of primary schooling for early remediation.
- The Remedial Education Strategy provides the intervention measures for improvement in attainment levels. The strategy looks at a wider range of considerations besides the cognitive; it targets the physical, social, psychological and mental development of the learner.
- The Continuous Assessment Scheme, with its merits of regularity, feedback and performance-based tasks, will make students become better learners, develop self-confidence and perform autonomously.

122. Besides school-based assessment, the country also takes part in regional and international assessment studies (SACMEQ/PASEC/PISA) that help both to provide a skill profile of learners and serve as a means of measuring national progress against international benchmarks.

**Challenges**

123. The main challenge remains the setting up of a dedicated evaluation unit anchored within the Ministry of Education as an umbrella unit for better coordination for monitoring and evaluating the above-named interventions. Besides, integrating the element of accountability throughout the whole school system, to demand achievement in return for investment, has yet to be put in place.

## Conclusion

124. As the shortage of skilled people can act as a limiting factor on individual organizations and on the economy as a whole, investment in human resource development has moved to centre stage in strategies to promote economic prosperity, fuller employment and social cohesion. As a result, education and training are increasingly considered as an investment in the collective future of societies and nations, rather than simply in the future success of individuals. Although Mauritius has achieved a lot, there is still a long way to go. Many local businesses are unable to expand because of the difficulty in finding people with the right skills. This requires an intervention by stakeholders at an early stage to ensure human resource planning and development is a key ingredient to decrease the

mismatch between the demand and supply of manpower. In this venture, training and retraining programmes should be emphasized for both employers and employees so as to increase the mobility and adaptability of the nation's workforce towards knowledge-intensive and higher-value-added activities. Skilled workers are better able to adapt quickly and effectively to change. Without skilled labour, Mauritius will not be able to reach higher planes of development.

# Annex

Table 1
**Contribution of different industry groups to the economy**

| *Industry group* | *1999* | *2008* | *2009* | *2010[a]* | *2011[a]* |
|---|---|---|---|---|---|
| **Agriculture, hunting, forestry and fishing** | **5.7** | **4.1** | **3.9** | **3.7** | **3.7** |
| Sugarcane | 2.3 | 1.8 | 1.4 | 1.2 | 1.1 |
| Other | 3.4 | 2.3 | 2.5 | 2.5 | 2.6 |
| **Mining and quarrying** | **0.2** | **0.0** | **0.0** | **0.0** | **0.0** |
| **Manufacturing** | **23.1** | **19.4** | **18.8** | **18.0** | **18.1** |
| Sugar | 0.6 | 0.5 | 0.4 | 0.3 | 0.3 |
| Food excluding sugar | 4.1 | 6.6 | 6.4 | 6.2 | 6.2 |
| Textiles | 11.9 | 5.7 | 5.6 | 5.2 | 5.2 |
| Other | 6.5 | 6.6 | 6.4 | 6.3 | 6.4 |
| **Electricity, gas and water supply** | **1.4** | **1.9** | **2.1** | **2.0** | **1.8** |
| **Construction** | **5.5** | **6.8** | **7.0** | **6.9** | **6.5** |
| **Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods** | **12.5** | **12.0** | **11.5** | **11.8** | **12.0** |
| Wholesale and retail trade | 12.0 | 10.9 | 10.3 | 10.6 | 10.7 |
| Other | 0.5 | 1.1 | 1.2 | 1.2 | 1.3 |
| **Hotels and restaurants** | **6.4** | **7.9** | **6.7** | **7.0** | **7.0** |
| **Transport, storage and communications** | **12.0** | **9.8** | **9.6** | **9.5** | **9.1** |
| **Financial intermediation** | **7.7** | **9.8** | **10.2** | **10.0** | **10.0** |
| Insurance | 2.3 | 2.7 | 2.9 | 2.9 | 3.0 |
| Banks | 4.6 | 5.8 | 5.9 | 5.7 | 5.7 |
| Other | 0.8 | 1.3 | 1.4 | 1.4 | 1.4 |
| **Real estate, renting and business activities** | **8.6** | **11.2** | **11.9** | **12.4** | **12.9** |
| Owner-occupied dwellings | 4.4 | 4.4 | 4.5 | 4.4 | 4.4 |
| Other | 4.2 | 6.8 | 7.4 | 8.0 | 8.5 |
| **Public administration and defence; compulsory social security** | **6.4** | **5.7** | **6.1** | **6.1** | **6.0** |
| **Education** | **4.3** | **4.2** | **4.4** | **4.4** | **4.4** |
| **Health and social work** | **2.9** | **3.2** | **3.5** | **3.7** | **3.7** |
| **Other community, social and personal service activities and private households with employed persons** | **3.3** | **4.0** | **4.3** | **4.5** | **4.8** |
| **Manufacturing industries previously operating with an EPZ certificate** | **12.1** | **7.3** | **6.9** | **6.5** | **6.6** |

[a] Revised figures are based on the results of CEA 2007 and financial intermediation services indirectly measured allocated to users.

Table 2
**Ranking of Mauritius (*Global Competitiveness Report 2011-2012*)**

| | *Rank (out of 142 countries)* | *Score (1-7)* |
|---|---|---|
| **Innovation** | **89** | **3.0** |
| **Capacity for innovation** | **89** | |
| **Quality of scientific research institutions** | **77** | |
| **Company spending on research and development** | **88** | |
| **University/industry collaboration in research and development** | **98** | |
| **Government procurement of advanced technology products** | **62** | |
| **Availability of scientists and engineers** | **112** | |
| **Utility patents per million population** | **90** | |

Table 3
**Vital statistics**

| | *Period* | *Unit* | *2007* | *2008* | *2009* | *2010* | *2011[a]* |
|---|---|---|---|---|---|---|---|
| **Population** | | | | | | | |
| Total population[b] | Mid-year | No. | 1 260 403 | 1 268 565 | 1 275 032 | 1 280 924 | 1 286 051 |
| - Female | Mid-year | % | 50.6 | 50.6 | 50.7 | 50.7 | 50.7 |
| - Urban | Mid-year | % | 42.0 | 41.9 | 41.8 | 41.7 | 41.6 |
| **Social indicators** | | | | | | | |
| Population growth rate | Year | % | 0.65 | 0.56 | 0.46 | 0.44 | 0.41 |
| Life expectancy at birth - Male | | No. of years | 69.2 | 69.4 | 69.51 | 69.61 | 69.71 |
| - Female | | No. of years | 76.1 | 76.6 | 76.71 | 76.81 | 76.91 |
| Age composition of population | | | | | | | |
| - Under 15 years | Mid-year | % | 23.3 | 22.7 | 22.2 | 21.6 | 21.1 |
| - 15-59 years | Mid-year | % | 66.7 | 66.9 | 67.1 | 67.2 | 67.1 |
| - 60-64 years | Mid-year | % | 3.3 | 3.5 | 3.7 | 3.9 | 4.4 |
| - 65 years and over | Mid-year | % | 6.7 | 6.8 | 7.0 | 7.3 | 7.4 |
| Dependency ratio | Mid-year | Per 1,000 popn | 430.2 | 419.4 | 412.0 | 405.6 | 398.5 |
| Sex ratio | Mid-year | Men per 100 women | 97.7 | 97.6 | 97.4 | 97.3 | 97.1 |
| Crude birth rate | Year | No. per 1,000 popn | 13.5 | 12.9 | 12.0 | 11.7 | 11.4 |
| Crude death rate | Year | No. per 1,000 popn | 6.7 | 7.1 | 7.2 | 7.1 | 7.1 |
| Marriage rate | Year | No. per 1,000 popn | 18.3 | 17.7 | 16.7 | 16.5 | 16.3 |
| Infant mortality rate | Year | Per 1,000 live births | 15.3 | 14.4 | 13.4 | 12.5 | 12.9 |

| | *Period* | *Unit* | *2007* | *2008* | *2009* | *2010* | *2011[a]* |
|---|---|---|---|---|---|---|---|
| Under-5 mortality rate | Year | Per 1,000 live births | 17.1 | 16.6 | 16.1 | 14.7 | 15.9 |
| Maternal mortality rate | Year | Per 1,000 live births | 0.36 | 0.37 | 0.65 | 0.33 | 0.34 |
| Total fertility rate | Year | Births per women | 1.66 | 1.58 | 1.50 | 1.47 | n/a |
| Mobile cellular telephone subscriber | As at end of year | Per 1,000 persons | 734.3 | 812.3 | 850.4 | 927.9 | 0.0 |
| Total Internet subscribers | As at end of year | Per 1,000 persons | 131.3 | 156.8 | 221.3 | 221.4 | 0.0 |
| Total final energy consumption | Year | ktoe | 857.5 | 841.6 | 808.6 | 854.0 | 0.0 |
| **Education** | | | | | | | |
| Public spending on education as a per cent of GDP | Year ending June | As at end of June | 3.5 | 3.3 | 3.9 | 3.7 | 3.6 |
| Gross primary enrolment ratio — Total | Year | % | 101 | 101 | 101 | 101 | 100 |
| - Male | Year | % | 101 | 101 | 100 | 100 | 100 |
| - Female | Year | % | 101 | 101 | 101 | 101 | 100 |
| Apparent intake rate | Year | % | 97.6 | 97.2 | 98.4 | 99.0 | 100.9 |
| Progression to secondary school | Year | % | 81 | 82 | 82 | 81 | n/a |
| Secondary enrolment ratio[c] — Total | Year | % | 74 | 74 | 73 | 73 | 74 |
| - Male | Year | % | 72 | 71 | 71 | 70 | 72 |
| - Female | Year | % | 77 | 76 | 76 | 76 | 77 |
| Pupil/teacher ratio — Primary | Year | No. | 28 | 29 | 29 | 28 | 27 |
| — Secondary | Year | No. | 16 | 16 | 15 | 15 | 14 |
| Tertiary enrolment[d] | Year | No. | 18 224 | 18 466 | 21 569 | 26 219 | 23 568 |
| - Male | Year | % | 42.1 | 42.2 | 43.8 | 39.1 | 41.2 |
| - Female | Year | % | 57.9 | 57.8 | 56.2 | 60.9 | 58.8 |
| **Labour force participation rates and unit cost** | | | | | | | |
| Labour force (including foreigners) — Both sexes | Year | 000's | 570.5 | 583.4 | 587.3 | 603.3 | 606.5 |
| - Male | Year | % | 64.1 | 63.5 | 63.2 | 62.2 | 62.1 |
| - Female | Year | % | 35.9 | 36.5 | 36.8 | 37.8 | 37.9 |
| Activity rate[e] — Total | Year | % | 58.9 | 59.2 | 59.1 | 59.8 | 59.4 |
| - Male | Year | % | 77.2 | 76.6 | 76.1 | 76.1 | 75.5 |
| - Female | Year | % | 41.2 | 42.4 | 42.6 | 44.2 | 44.0 |
| Unemployment rate[f] — Total | Year | % | 8.5 | 7.2 | 7.3 | 7.8 | 7.9 |
| - Male | Year | % | 5.3 | 4.1 | 4.4 | 4.6 | 4.7 |
| - Female | Year | % | 14.4 | 12.7 | 12.3 | 13.0 | 13.0 |

| | *Period* | *Unit* | *2007* | *2008* | *2009* | *2010* | *2011*[a] |
|---|---|---|---|---|---|---|---|
| Employment by sector | | | | | | | |
| - Per cent primary | Year | % | 9.1 | 8.3 | 8.3 | 8.1 | 8.0 |
| - Per cent secondary | Year | % | 33.5 | 32.7 | 31.4 | 30.8 | 30.4 |
| - Per cent tertiary | Year | % | 57.4 | 59.0 | 60.4 | 61.1 | 61.6 |
| **National accounts and price indices** | | | | | | | |
| Gross domestic product at market prices | Year | Rs. bn | 244.0 | 274.3 | 282.0 | 299.1 | 324.8 |
| GDP per capita at market prices | Year | Rs.000 | 193.5 | 216.2 | 220.7 | 233.5 | 252.5 |
| GNI per capita at market prices | Year | Rs.000 | 198.0 | 217.8 | 219.7 | 236.3 | 255.8 |
| GDP deflator at basic prices | Year | % | +7.8 | +7.0 | +0.3 | +1.2 | +4.0 |
| Annual real GDP growth rate at basic prices | Year | % | +5.7 | +5.5 | +3.1 | +4.2 | +4.1 |
| - Primary | Year | % | -5.5 | +3.2 | +8.6 | -1.3 | +2.8 |
| - Secondary | Year | % | +5.1 | +5.3 | +2.9 | +2.8 | +2.1 |
| - Tertiary | Year | % | +6.8 | +5.7 | +2.8 | +5.1 | +5.0 |
| Total exports of goods and services (fob) | Year | Rs. bn | 141.2 | 145.2 | 138.2 | 156.9 | 173.7 |
| Total imports of goods and services (fob) | Year | Rs. bn | 163.9 | 181.3 | 164.6 | 190.7 | 215.3 |
| Net export of goods and services | Year | Rs. bn | -22.7 | -36.1 | -26.4 | -33.8 | -41.6 |
| Growth of household consumption | Year | % | +4.5 | +6.7 | +2.1 | +2.6 | +2.6 |
| Saving rate | Year | % | 21.5 | 17.2 | 13.8 | 15.5 | 15.4 |
| Investment rate | Year | % | 25.1 | 24.6 | 26.4 | 24.9 | 23.9 |
| Growth of investment (GDFCF) | Year | % | +5.9 | +1.3 | +8.9 | -0.7 | +0.0 |
| Rate of inflation | Year | % | 8.8 | 9.7 | 2.5 | 2.9 | 6.5 |

[a] Forecast.
[b] Mid-year population excluding Agalega and St. Brandon.
[c] Academic and prevocational.
[d] Source: CSO — Annual Survey in Public Funded Tertiary Institutions.
[e] Ratio of Mauritian labour force to that of Mauritian population aged 16 and above.
[f] Ratio of unemployed to that of Mauritian labour force.

United Nations E/2012/55

# Economic and Social Council

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New York, 2-27 July 2012
Item 2 (c) of the provisional agenda*
**High-level segment: annual ministerial review**

## Letter dated 16 April 2012 from the Chargé d'affaires a.i. of the Permanent Mission of Qatar to the United Nations addressed to the President of the Economic and Social Council

In regard to the preparations of the national voluntary presentation, I have the honour to attach herewith the national report of the State of Qatar on progress towards the achievement of the internationally agreed goals, including the Millennium Development Goals, for the annual ministerial review to be held during the high-level segment of the 2012 substantive session of the Economic and Social Council in July at United Nations Headquarters in New York (see annex).

I should be grateful if you would circulate the present letter and its annex as a document of the Council, under item 2 (c) of the provisional agenda.

(*Signed*) Yousef Sultan **Laram**
Chargé d'affaires a.i.

* E/2012/100.

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## Annex to the letter dated 16 April 2012 from the Chargé d'affaires a.i. of the Permanent Mission of Qatar to the United Nations addressed to the President of the Economic and Social Council

[Original: Arabic]

### Qatar National Development Strategy 2011-2016: The Human Development Dimension

#### Executive summary

The Qatar National Vision 2030, which was launched in October 2008, builds a bridge from the present to the future. It aims to transform Qatar into an advanced country, ensuring sustainable development and providing a high standard of living for the current and future generations.

The National Vision provides a broad framework for Qatar's National Development Strategy 2011-2016. The Strategy charts the medium term transformations that will make Qatar a prosperous and creative society, one that contributes to and is connected with the world while preserving its unique identity.

The Strategy, the first of its kind in Qatar, is the culmination of extensive stakeholder consultations, dialogues and analyses. The positive and unprecedented engagement of multiple stakeholders reflects a genuine desire for reform that best serves the national interests. The consultation process began with ministers and key leaders from government, private sector and civil society, and was then extended to society as a whole.

The programmes and projects identified in the Strategy are aligned with the goals of the National Vision and include specific outcomes and targets. They are based on 14 sector strategies and draw on intensive consultations, taking into consideration the many cross-sectoral links. In order to ensure the interests and engagement of youth in the Strategy's programmes, Qatar prepared its third National Human Development Report, entitled "Expanding the Capacities of Qatari Youth: Mainstreaming Young People in Development".

Qatar will continue to invest in its people so that all can participate fully in the country's social, economic and political life and function effectively within a competitive knowledge-based international order. The Government is putting in place advanced health and education systems that meet the highest global standards.

Qatar's transformation into a diversified knowledge economy with increased private-sector participation depends on upgrading and enhancing the education, knowledge and skills of Qataris. The coordination of those economic objectives requires a transition from the current low-skill, low-productivity and low-wage economy to a high-skill, high-productivity and high-wage economy. Creating a more productive, skilled and motivated labour force requires major labour market reforms, especially to encourage Qataris to participate in the private sector.

The regulatory and legal framework is being reviewed with a view to attracting and retaining a skilled expatriate workforce in support of the Government's development vision. In order to attract and retain the right mix of skills, further incentives are being created to improve the working and living environments.

Many of the challenges and opportunities set out in the Strategy transcend the traditional boundaries of individual public agencies, and thus require a high degree of interagency cooperation. Institutional development and modernization are a critical enabler for driving change, achieving the outcomes and specific targets of the Strategy in all sectors, and realizing the goals of the National Vision.

In order to ensure successful implementation of the Strategy, a Supreme Committee for Development Planning was established by a decree of the Amir. The ministries and other Government agencies have integrated the development programmes and projects into their executive plans.

**Context of the National Development Strategy: the Qatar National Vision 2030**

The Qatar National Vision 2030, which was launched in October 2008, builds a bridge from the present to the future. It aims to transform Qatar into an advanced country, ensuring sustainable development and providing a high standard of living for the current and future generations. It aspires to a vibrant and prosperous Qatar with economic and social justice for all. It envisages all Qataris working together to pursue those aspirations, their efforts guided by with strong Islamic and family values.

The National Vision is based on the realization of justice, benevolence and equality. It embodies the principles of the Permanent Constitution, which protects public and personal freedoms, promotes moral and religious values and traditions, and guarantees security, stability and equal opportunities. In accordance with those principles, the National Vision is based on four pillars:

Human development — to enable all of Qatar's inhabitants to sustain a prosperous society;

Social development — to maintain a just and caring society based on high moral standards and capable of playing a prominent role in the global partnership for development;

Economic development — to achieve a competitive and diversified economy capable of meeting the needs of, and securing a high standard of living for, all its current and future inhabitants;

Environmental development — to harmonize economic growth, social development and environmental protection.

The National Vision thus defines broad future trends and reflects the aspirations, objectives and culture of the Qatari people. By shedding light on the choices available, it encourages the Qatari people to develop a set of common goals related to their future, and provides the framework for Qatar's National Development Strategy 2011-2016.

Qatar's management of its hydrocarbon resources will continue to secure improvements in living standards, but those improvements cannot be the only goal of society. The Strategy thus aims to balance five major challenges identified in the National Vision:

(i) Modernization and the preservation of traditions;

(ii) Balancing the needs of the current and future generations;

(iii) Managing economic growth and avoiding uncontrolled expansion;

(iv) Ensuring that the size and quality of the expatriate labour force is commensurate with the planned development process;

(v) Harmonizing economic growth, social development and environmental protection.

**Formulating the National Development Strategy 2011-2016**

The Strategy, the first of its kind in Qatar, is the culmination of extensive stakeholder consultations, dialogues and analyses. The positive and unprecedented engagement of multiple stakeholders reflects a genuine desire for reform that best serves the national interests. The consultation process began with ministers and key leaders from government, private sector and civil society, and was then extended to society as a whole. In order to reflect the broad scope of the Strategy, cross-sectoral working groups were formed, including representatives from ministries, other Government agencies, private-sector companies and civil society organizations. The extensive inter-sectoral consultations, including interviews, workshops, debates and research, were highly important in order to gain a strong and positive sense of ownership on the part of Qatar's inhabitants from the outset.

The Strategy adopts a clear methodology based on situational analyses, diagnostics, regional and international benchmarking and detailed strategies for each of the 14 sectors encompassing the full range of activities in the State of Qatar. The situational analyses identified priority areas using baseline analyses of Qatar's situation and benchmarking against best practices in other countries in the region and around the world. The reports on the 14 sectoral strategies identify priority areas and numerous initiatives to support each proposed programme and project, including core requirements, responsibilities, timelines and key indicators.

Each sectoral strategy includes a basic monitoring and evaluation framework, supported by selected indicators that are regularly monitored during implementation in order to make any adjustments that may be needed.

The programmes and projects identified in the Strategy are aligned with the goals of the National Vision and include specific outcomes and targets. They are based on the 14 sector strategies and draw on intensive consultations, taking into consideration the many cross-sectoral links. The sectoral strategies provide transparent in-depth analysis, benchmarks, diagnostics and priorities for each of the programmes and projects.

The targets set out in the Strategy are drawn from the sectoral strategies that were developed by the sectoral working groups, drawing on stakeholder inputs, and adopted by executive groups. They are both quantitative and qualitative, and focus is on the results to be achieved by 2016. They will be reviewed and refined, as necessary, by key stakeholders when the programmes and projects are implemented.

The Strategy is a comprehensive plan of action that introduces new initiatives while building existing ones. The current programmes, policies and institutions give it added impetus and focus.

**Sustaining prosperity**

Qatar has built a solid foundation on which to base the Strategy. In the early 2000s, Qatar witnessed the most rapid growth anywhere in the world, which gave it one of the world's highest levels of per capita income measured in purchasing power parity terms. High public and private-sector savings have been reflected in substantial domestic investment and the accumulation of a substantial pool of foreign currency assets.

The National Vision articulates three interrelated economic goals: sustaining a high standard of living, expanding innovation and entrepreneurial capabilities and aligning economic outcomes with economic and financial stability.

It defines sustainability as meeting the needs of the current generation without compromising the ability of future generations to meet their needs. In order to embed sustainability in Qatar's economy, progress is needed in three balanced and mutually reinforcing directions.

First, the country will enlarge the value of the productive base, which is necessary in order to sustain prosperity in a growing population and expand potential for future generations. Second, the Government will guard against economic instability and promote efficiency. Third, the government will work in partnership with the private sector to diversify the economy and encourage a culture of innovation and discovery.

**Human development**

The human development pillar of the National Vision calls for the development of all Qatar's inhabitants to enable them to sustain a prosperous society and to meet the needs of this generation without compromising the needs of future generations. Qatar will continue to invest in its people so that all can participate fully in the country's social, economic and political life and function effectively within a competitive knowledge-based international order. The Government is putting in place advanced health and education systems that meet the highest global standards. It is also supporting the productive participation of Qatari men and women in the labour force, while attracting qualified expatriate workers in all fields, with a growing emphasis on the higher-skilled.

*Nurturing a healthy population*

Under the leadership of the Supreme Council of Health, Qatar will develop an integrated health-care system that meets the highest global standards, is accessible to the entire population, with public and private institutions offering effective and affordable services in accordance with the principle of cost-sharing partnerships. The Council will determine a national health policy and monitor social, economic, technical and administrative health-care standards. The health-care system will help all of the inhabitants of Qatar to live longer and healthier lives. Preventive and curative care will take into account the different needs of men, women and children. High-quality research will focus on public health, biomedicine and clinical effectiveness.

*Challenges for health care*

In order to achieve the goals of the National Vision for the health sector, Qatar needs to overcome multiple challenges:

- There is an imbalance in the model of care, which must shift from hospital-based care to a full continuum of care by enhancing primary health care and community-based services, while ensuring that acute care services meet the needs of the population.
- Morbidity and mortality patterns reflect a high prevalence non-communicable diseases, including chronic diseases and those linked to lifestyle and behaviour, as well as a high rate of injuries, primarily from road traffic accidents and workplace-related incidents.
- A rapidly increasing population with a high turnover, with high numbers of single male workers places, increasing demands on the health-care system, accentuating the mismatch between health-care needs and the current system.
- Studies show that 70 per cent of deaths in Qatar are a result of chronic illnesses, injuries and congenital diseases. The integrated health-care system will address those three principal causes of mortality, along with the underlying risk factors.
- Chronic diseases account for more than half of deaths. It is a matter of particular concern that 16.4 per cent of Qataris suffer from diabetes, well above the global average of 6.4 per cent. That disease burden — the fourth highest in the world — generates long-term disabilities and high costs for the Government. Studies have found high rates of asthma and cardiovascular disease. The prevalence of other chronic conditions, particularly mental health conditions, is also thought to be high but could be under-diagnosed for cultural reasons.
- Injuries from road and workplace accidents are common among single male workers, who make up about two thirds of the population. Qatar needs to address the roots of those health risks and of communicable diseases, which tend to increase with a growing migrant population.
- The mismatch between health-care needs and the current system is accentuated by the country's high population growth and the growing numbers of single male workers. That situation has overloaded the system, exacerbating the overemphasis on hospital-based acute care as compared with long-term wellness programmes and preventative care.
- Qatari health-care spending has risen fivefold since 2001. Population growth is one obvious explanation, but there are other contributing factors. Improved monitoring and control, with appropriate national health-care accountability standards and budgeting systems, will strengthen efforts to control costs. A functioning health insurance system could improve the effectiveness of service delivery, but Qatar must first lay the foundations for such a system.
- While the upward trend in deaths from road traffic accidents has stabilized, they remain the main cause of death among Qatari and non-Qatari youth, particularly men. Road traffic accident deaths involve not only drivers and

passengers, but also pedestrians who account for almost a third of annual deaths, most of them among non-Qataris aged 30 and older.

- Qatar's efforts to address that problem have not had the desired impact. Penalties for traffic offences are severe, but not always enforced. Most offences, such as speeding and failure to comply with traffic junction signals, are detected by radar and cameras, and police patrols are limited. There are, however, potential alternatives to the penalty points system. New initiatives for improving road safety must now focus on behavioural changes among young Qatari men.

*Healthy lifestyles*

Sports and physical activity are integral parts of a healthy lifestyles. They decrease the risk of cardiovascular disease, high blood pressure and stroke, contributing to a healthy lifestyle and minimizing excessive weight gain.

Health and physical education are essential to the school curriculum, and special emphasis should placed on physical education classes in primary and secondary schools. Sports activities such as running, cycling, swimming and aerobics are essential for obesity control and weight management and need to be continuously encouraged.

Qatar is proud of its recent achievements in sports, including the expansion of all types of sporting activities and participation in international competitions. Sports management and youth development are administered by independent agencies, which promote the active sports movement and encourage healthy practices, physical activity and regular exercise as part of a healthy lifestyle.

Through its Aspire Active programme, the Aspire Academy for Sports Excellence offers a range of recreational physical activities and fitness courses for young men, women and children. Aspire Active has had unprecedented success in contributing to well-being through aerobics, circuit training, body training, yoga, Pilates, swimming, martial arts and mother and toddler classes.

The Global Sport Fund is a United Nations initiative supported by the Qatar Olympic Committee. It helps young people aged from 11 to 17 to live safer and more peaceful lives through sports while teaching them to play by the rules, engage in teamwork and show respect for each others. The Fund uses sports to improve physical and mental health, reinforce positive social skills, and protect youth from the temptation of drug use and juvenile delinquency. It organizes periodic youth camps in Qatar and elsewhere, the most recent of which was held in Doha. These camps have allowed young Qataris to practise sports with similar children from other countries at home and abroad.

*Programmes*

The health-care system will provide a full continuum of health care through a patient-centred approach, addressing both physical and mental health needs. The system will encourage prevention while also ensuring the availability of evidence-based curative services. Health-care services will be provided by public and private institutions guided by a national health policy setting forth social, economic, administrative and technical health-care standards. High-calibre research will be directed at improving effectiveness and quality.

*Building knowledge and skills*

Under the leadership of the Supreme Education Council, Qatar will build a modern, world-class education and training system providing a first-rate education comparable to that offered in the best schools, universities and technical colleges in the world. That system will incorporate programmes that encourage analytical thinking, creativity, innovation and entrepreneurship, while promoting social cohesion and respect for Qatari values. The system will provide opportunities for students to develop their full potential and prepare them for success in a world with ever-greater technical challenges. It will raise performance at all levels and offer pathways for education and training beyond the secondary level, including for lifelong learning. It will also expand the capacities of professional staff.

In addition to public and private kindergarten and basic education, the Qatar Foundation offers outstanding education from kindergarten to secondary school. For example, the Awsaj Institute of Education aims to raise the educational performance of pupils with learning difficulties, engages in partnerships with stakeholders to develop the pupils' abilities and potential, and develops and promotes the application and assessment tools, teaching methods and curricula to train highly effective teachers. The Awsaj Institute includes two institutes: the Awsaj Academy, a school for pupils with learning difficulties from kindergarten to the 12th year, and the Awsaj Centre for Teaching and Learning, which offers specialized services for students who more individual attention and provides professional development for teachers.

In 1998, in a visionary and forward-looking initiative, the Qatar Foundation through established Education City, a state-of-the-art international campus and learning environment. Initially occupied by the Virginia Commonwealth University in Qatar, by 2011 it had expanded to include nine Government-assisted branch campuses of globally recognised universities, offering Bachelor's and Master's degrees in various fields of specialization. Education City universities currently account for almost 10 per cent of all Qatari tertiary enrolment. Admission standards and programme accreditations are the same as those of mother institutions in Europe and the United States of America. The Academic Bridge Programme provides secondary school graduates with English pre-university courses to help them meet university entry requirements. The fees for Qatari students at those institutions are paid by the Government or a corporate sponsor such as Qatar Petroleum.

*Challenges for education and training*

Qatar's education and training system must be comprehensive and integrated, stretching from early childhood education through to higher-level education and training. Engrained in this system is the concept of lifelong learning: individuals should be encouraged to acquire education and update their skills throughout their lives. The continuum spans three education sectors: general education, higher education, and technical education and vocational training. While each sector has a distinct identity, mission and function, the sectors need to operate within an overarching framework that embodies policy-related principles. Both education and training need to establish stronger links with Qatar's labour market.

Quality is critical in ensuring outcomes that address the needs of current and future labour markets. The challenge is how to achieve consistent and sustained quality across sectors. The quality of teachers, trainers, lecturers and education

planners is a prerequisite. It therefore requires a commitment on the part of all sectors, at every level of education, that train academic and educational specialists or monitor their qualifications and development. Attention to quality should be at the forefront of efforts to develop educational standards, curricula and materials; provide resources for schools and education centres; and improve information and communication technology and governance. Such action will help to improve pupils' performance at all levels, particularly in science, mathematics and languages. It is essential to increase the number of pupils, especially males, who continue on to tertiary education, which guarantees them a higher economic return.

Equity and inclusiveness also cut across all education and training sectors. Lifelong learning should enable all members of society to acquire, develop and update their skills throughout their lives. Appropriate training and education should be available and accessible to all. Meeting the stated aim of accessible educational programmes for lifelong learning, in a context of participation and inclusion, will require policies that overcome socioeconomic barriers of age, gender and geography.

In order to achieve inclusiveness, private schools should be further expanded in line with growing demand among Qatari and expatriate children. Qatari parents are paying the fees, in increasing amounts, to send their children to international schools. The ultimate goal is to allow all Qatari pupils to participate; school fees should no longer be a driving factor in choosing a school. Competition is expected to emerge not only among independent schools, but also between the public and private sectors, thus promoting variety and choice.

The improvement in private school standards since they came under the remit of the Supreme Education Council are one possible reason for their growing attendance rates. Another factor that cannot be ignored is the growth in reverse migration owing to the establishment of independent schools, which often provide a better education than many private schools.

Portability and mobility are another key policy theme for the promotion of variety and choice. Pupils and other stakeholders in the education and training system expect institutions and employers to recognize their qualifications and grant credit for previous studies. In addition, pupils and stakeholders expect flexible career and study pathways to entering and re-entering the education and training systems without penalty. That approach maximizes citizens' flexibility in planning their careers without being constrained by their location or stage in life.

In order to realize Qatar's vision of providing opportunities for citizens to achieve their full potential, Qataris must be able to move easily from one education or training option to another, and from those options to the workplace. Educational pathways can no longer be considered a linear progression through a vertical hierarchy of qualifications. Vertical and horizontal pathways are needed, both within and across sectors and institutions. The National Qualifications Framework will strengthen coordination and integration of the education and training systems. That function is fulfilled through the endorsement of school certificates in basic education and through a system of degree equivalences at the university level.

Qatar has invested heavily in best practice models of education. It will continue to do so in order to adapt and mould basic and higher education to meet the skill requirements of a more diversified economy, while respecting Qatar's cultural

values and national heritage. The proportion of Government spending on education has grown markedly in recent years and now exceeds the average for Organization for Economic Cooperation and Development countries and for all Gulf Cooperation Council countries except Saudi Arabia.

*Programmes*

The education and training initiatives of the Strategy build on continuous reforms addressing quality, equity, inclusiveness and portability and mobility. Those themes will guide policy decisions and the provision of variety and choice. The reforms will tackle a number of critical challenges and opportunities affecting supply of and demand for education and training. Such challenges include Qatari pupils' weak performance in Mathematics, Sciences and English at all levels, and various shortcomings in educational administration and the teaching profession. The curriculum will be better aligned with the needs of the labour market and more supportive of Qatari values. There will be multiple pathways beyond secondary level, including technical and vocational courses, in order to encourage higher post-secondary enrolments and better meet the needs of the labour market.

*Fostering a capable and motivated workforce*

Through the Ministry of Labour, Qatar will expand the capacities of the labour force, preparing it to move from a hydrocarbon economy to a diversified knowledge economy in which the private sector is a key stakeholder. Qatar will seek to meet the needs of high-income professions in high value-added sectors, combining economic objectives with the social priority of preserving national identity. Labour market reforms will foster a productive labour force and encourage more Qataris to work in the private sector. For the foreseeable future, however, Qatar will not have enough citizens to meet the expanding requirements of a rapidly growing, diversifying and technologically advanced economy. In order to counter that shortfall, Qatar must attract and retain expatriates with the right mix of skills.

*Challenges for employment*

The labour market is highly segmented, with heavy concentrations of Qataris in the public sector and expatriates in the private sector, especially in construction and services. It is important to develop skills and improve the effective labour force participation of Qataris while also so is establishing the regulatory and legal frameworks needed to attract and retain a skilled expatriate workforce to support the National Vision. The latter stresses the importance of expatriate workers and recognizes that Qatar will not, in the foreseeable future, have a sufficient number of citizens to manage the complex systems, infrastructure and other requirements of a rapidly growing, diversifying and technologically sophisticated economy.

As in many resource-rich economies, the private sector in Qatar has thus far played a limited role. Estimates of the private-sector share of aggregate output put it at around 35 per cent. However, the private sector has a much greater profile in employment, with large numbers of workers, predominantly expatriate, in construction and retail trade. Those two sectors have expanded markedly as a result of mega-infrastructure projects and rapidly growing consumption demand from the expatriate population. The share of Qataris in the labour force has thus declined by over one half, from 14 per cent in 2001 to 6 per cent in 2009.

*Challenges for the labour market*

Qatar is seeking a development path compatible with the desired size and quality of expatriate labour. As a part of that process, Qatar will continue to weigh the economic benefits of greater numbers of expatriate workers against the costs of meeting the health, education, housing and public service needs of those workers and their dependents, as well as their impact on national identity and culture.

Success will depend largely on whether incentives and regulatory policies can transform the private sector into a high-productivity, high-wage economy and whether Qataris compete with expatriates for work in the private sector. Action should be taken to progressively rebalance immigration policies and encourage higher value-added and capital-intensive employment.

The current employment sponsorship system have several effects on Qatar's labour market.

First, the open sponsorship system encourage the recruitment low-cost expatriate workers and discourage the employment of Qataris and the adoption of advanced technologies, resulting in a low wage, labour-intensive, low-productivity economy. The cost of importing low-skilled expatriate workers is heavily subsidized.

Second, the sponsorship system limits the mobility of expatriates and thus their ability to respond to labour market needs. A rigid labour market hampers the development of a workforce that meets the needs of a knowledge-based economy.

Despite rapid economic development and efforts to improve male education, labour force participation rates of Qatari men are low and declining: large numbers of men leave the labour force at an early age. There are significant challenges to increasing effective male participation in the labour force. More men need to continue on to tertiary education, and education attainment levels need to rise. Currently, Qataris have little incentive to excel in education and training.

By contrast, labour force participation of Qatari women has grown sharply in recent years, consistent with their rising education levels and the ready availability of low-cost domestic help. There is considerable scope for participation to rise further, as it still lags well behind that of many high income countries.

In recent years, Qatari unemployment rates have been exceptionally low. The unemployed are primarily first-time job-seekers and people with a strong preference for particular sector. Most of them are women. There are, however, concerns regarding hidden unemployment and declining labour productivity.

New Qatari job-seekers prefer to join the public sector, which is their leading employer. The efforts of the public sector to increase the participation of Qataris are therefore reinforced by affirmative employment policies in all other sectors. For example, the energy industry, led by Qatar Petroleum, has been at the forefront in promoting Qatari participation in the mixed and private sectors. The industry recruits young high school graduates, sponsors them through scholarship programmes in vocational and university training and provides rapid career development paths, including in-house training. The recruits then enter a wide range of positions within the industry, such as operations, maintenance, engineering, finance, administration, and human resources.

*Programmes*

In order to realize the goal of a capable and engaged workforce, young Qataris need to be motivated and incentivized to take advantage of the many opportunities for post-secondary education and training. Qatar will move from numerical targets for the employment of Qataris towards an emphasis market-based mechanisms that link wages to productivity. Qataris, especially of youth and women, will be encouraged to develop their entrepreneurial skills in order to gain better representation in the private sector. Barriers to entrepreneurship will be examined and initiatives will be launched, including management opportunities and capacity-building at home and abroad in areas relevant to national labour market needs.

The regulatory and legal framework needed to attract and retain a skilled expatriate workforce to support the nation's development vision will be reviewed and strengthened. Qatar will create further incentives to improve the working and living environments in order to attract and retain the right mix of skills. If necessary, Qatar's sponsorship programme will be reviewed with input from employers and employees.

*Increasing women's empowerment*

Gender has been mainstreamed in the programmes and projects of all sectors of the Strategy. In each case, a comprehensive situation analysis and international benchmarks have been taken into account. In the area of employment, specific initiatives are in place to upgrade the skills of women and encourage them to participate more prominently in the private sector by removing barriers and constraints and encouraging female entrepreneurship. Qatar is also implementing measures to improve the work life balance for women, such as reviewing the 2009 Law on Human Resource Administration. Qatar has put in place several other programmes and projects to further empower women.

Women's educational capacities and their ability to assume political and leadership positions are generally recognized. However, owing to residual cultural attitudes, there are also negative views regarding the scope of women's work and their broader capacities. But there is also a culturally conditioned underestimation of scope and ability overall. While legislation has helped increase Qatari women's participation in the labour force, traditional views about appropriate areas for women's employment (educational, administrative or clerical) prevail, despite the new opportunities created by Qatar's economic development. In 2009, only 3 per cent of economically active Qatari women were in leadership positions. Over the past ten years, that number has varied between 2 and 4 per cent. Although women have higher average educational attainment level than men, there appear to be contrasting views regarding women's work and professional advancement.

The empowerment of women, a goal that is enshrined in the National Vision, is further hindered by stereotypes regarding their role and social responsibilities. Over the past decade, women have voted in growing numbers and are now represented in the Municipal Council. The total number of women in decision-making positions has increased. However, women still face numerous barriers to political life, such as a lack of awareness regarding the significance of the political process and adverse social and cultural attitudes. In a 2007 survey, 28 per cent of Qatari men and women opposed female participation in politics. Women are no doubt central to the evolving

character of the Qatari family, but they can contribute far more to society than their role in the home.

*Programmes*

The Government will establish a women's leadership centre to build women's capacities and increase their representation in political, organizational and managerial decision-making positions. At the same time, an awareness programme will promote the role of women across all sectors of the Strategy.

**Fostering cross-sectoral links**

A distinctive feature of Qatar's first National Development Strategy is its incorporation of cross-sectoral linkages and relationships in order to ensure successful outcomes.

Successful implementation of the Strategy is critical not only for the development of human capital and labour market efficiency, but also in order to achieve other goals of the National Vision. Investment in quality education and training, including lifelong learning opportunities, along with efforts to change attitudes to work, will help Qatar achieve its chosen development path.

Education and labour force participation are highly correlated. In order to achieve Qatar's labour market goals, the education and training system must be closely connected with and relevant to the needs of the workplace. Increased awareness of the returns of education and training could encourage Qataris to stay in school longer and improve their educational performance and attainment.There is a need for better access to information on training and employment opportunities for job seekers, especially youth, and career counselling and guidance, in order promote education and training and better inform Qatari youth of the economic returns to post-secondary education.

The links among education, training and employment policies require that policymaking and decision-making within each sector should also be linked. Appropriate institutional arrangements should be in place in order to provide policy guidance for the labour market and for education and training.

**Developing modern public sector institutions**

Qatar needs strong public sector institutions to reach the goals of the National Vision in the areas of social progress, human development, economic diversification and environmental sustainability. Achieving those goals will require institutional and organizational capacity building, efficient and transparent delivery of public services, fruitful public-private cooperation and partnerships, a vibrant climate for business and a larger space for civil society. Qatar's government structure includes ministries, Supreme Councils and other Government agencies.

Qatar's public administration institutions are evolving rapidly and striving to meet the needs of citizens and clients. The Public Sector Development Project of 2007 recommended changes to the institutional framework in order to provide effective quality services. The Government therefore restructured its administrative structure, moving towards a portfolio-based approach focusing accountability for a given policy within one ministry, improving governance, focusing on outcomes,

increasing inter-agency coordination and reducing disconnectedness in decision-making.

Improved service delivery depends on credible, client-focused and capable institutions that deliver timely and accountable services to citizens and respond to their concerns. That goal will in turn require an unwavering commitment to modernizing all aspects of Government across all sectors and areas of society. The continuous search for institutional efficiency will strengthen Qatar in prosperous times and make it better resistant to crisis.

**Moving from Strategy to implementation**

The Strategy is comprehensive and multidimensional. Each part entails different challenges, so careful implementation will be vital to its success. Implementation mechanisms are being put in place, but the pace of progress needs to be accelerated in order to achieve the desired results. In 2011, the Amir of the State of Qatar established a Supreme Committee for Development Planning under the Heir Apparent in order to ensure successful implementation of the Strategy.

Ministries and agencies are taking ownership of the Strategy, developing their own operational plans and accepting accountability for delivery. At the centre, the Strategy is beginning to influence processes that drive decisions on resource use and providing operational tools for the integrated assessment of each project and policy proposal. Major challenges are anticipated, particularly in building the human and institutional capabilities for effective planning and project execution, but also in providing the legal basis for some proposed innovations.

Successful implementation of Qatar's first National Development Strategy requires, inter alia, overcoming human resource constraints; developing an appropriate fiscal architecture; bridging information and knowledge gaps; ensuring effective communication and advocacy; and monitoring and evaluation at all levels. It also requires the full commitment of all sectors and of all inhabitants of the State of Qatar.